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the Senate and committee hearings are available at

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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

Printed by authority of the Senate
# Members of the Senate

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<th>State or Territory</th>
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<th>Party</th>
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<td>Abetz, Hon. Eric</td>
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<td>Adams, Judith Anne</td>
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<td>Back, Christopher John</td>
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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
GILLARD MINISTRY

Prime Minister
Hon. Julia Gillard MP

Deputy Prime Minister, Treasurer
Hon. Wayne Swan MP

Minister for Regional Australia, Regional Development and
Local Government
Hon. Simon Crean MP

Minister for Tertiary Education, Skills, Jobs and Workplace
Relations and Leader of the Government in the Senate
Senator Hon. Chris Evans

Minister for School Education, Early Childhood and Youth
Hon. Peter Garrett AM, MP

Minister for Broadband, Communications and the Digital
Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy

Minister for Foreign Affairs
Hon. Kevin Rudd MP

Minister for Trade
Hon. Dr Craig Emerson MP

Minister for Defence and Deputy Leader of the House
Hon. Stephen Smith MP

Minister for Immigration and Citizenship
Hon. Chris Bowen MP

Minister for Infrastructure and Transport and Leader of the
House
Hon. Anthony Albanese 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 Sustainability, Environment, Water, Population and
Communities
Hon. Tony Burke MP

Minister for Finance and Deregulation
Senator Hon. Penny Wong

Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr

Attorney-General and Vice President of the Executive Council
Hon. Robert McClelland MP

Minister for Agriculture, Fisheries and Forestry and Manager of
Government Business in the Senate
Senator Hon. Joe Ludwig

Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP

Minister for Climate Change and Energy Efficiency
Hon. Greg Combet AM, MP

[The above ministers constitute the cabinet]
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<th>Position</th>
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<tr>
<td>Minister for the Arts</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Social Inclusion</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Minister for Privacy and Freedom of Information</td>
<td>Hon. Brendan O'Connor MP</td>
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<tr>
<td>Minister for Sport</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Special Minister of State for the Public Service and Integrity</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Assistant Treasurer and Minister for Financial Services and Superannuation</td>
<td>Hon. Bill Shorten MP</td>
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<td>Minister for Employment Participation and Childcare</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Minister for Veterans’ Affairs and Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister for Defence Materiel</td>
<td>Hon. Jason Clare MP</td>
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<tr>
<td>Minister for Indigenous Health</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>Hon. Mark Butler MP</td>
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<tr>
<td>Minister for the Status of Women</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Minister for Social Housing and Homelessness</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Special Minister of State</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Minister for Home Affairs and Minister for Justice</td>
<td>Hon. Brendan O'Connor MP</td>
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<tr>
<td>Minister for Human Services</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Cabinet Secretary</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator Hon. Kate Lundy</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Hon. David Bradbury MP</td>
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<tr>
<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator Hon. Jacinta Collins</td>
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<tr>
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<td>Senator Hon. Stephen Conroy</td>
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<tr>
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<td>Parliamentary Secretary for Community Services</td>
<td>Hon. Julie Collins MP</td>
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<td>Senator Hon. Nick Sherry</td>
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<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>Hon. Mark Dreyfus QC, MP</td>
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</table>
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Trade
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow
Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Employment Participation
Hon. Sussan Ley MP

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

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

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

Shadow Minister for Universities and Research
Senator Hon. Brett Mason

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

Shadow Minister for Indigenous Development and Employment
Senator Marise Payne

Shadow Minister for Regional Development
Hon. Bob Baldwin MP

Shadow Special Minister of State
Hon. Bronwyn Bishop MP

Shadow Minister for COAG
Senator Marise Payne

Shadow Minister for Tourism
Hon. Bob Baldwin MP

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

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

Shadow Minister for Regional Communications
Mr Luke Hartsuyker MP

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

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

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

Shadow Minister for Housing
Senator Marise Payne

Chairman, Scrutiny of Government Waste Committee
Mr Jamie Briggs MP

Shadow Cabinet Secretary
Hon. Philip Ruddock MP

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

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

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

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

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

Shadow Parliamentary Secretary for Regional Education
Senator Fiona Nash

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

Shadow Parliamentary Secretary for Local Government
Mr Don Randall MP

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

Shadow Parliamentary Secretary for Defence Materiel
Senator Gary Humphries

Shadow Parliamentary Secretary for the Defence Force and Defence Support
Senator Hon. Ian Macdonald
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Monday, 12 September 2011

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

STATEMENT BY THE PRESIDENT

McLucas, Senator the Hon. Jan

The PRESIDENT (10:01): Senators may be aware that Senator McLucas has not been well and is unable to stand for any length of time. With the concurrence of the Senate I propose that Senator McLucas be permitted to speak while seated and to vote in divisions from a wheelchair or mobility device on the appropriate side of the chamber floor. There being no objection, it is so ordered.

BILLS

Veterans' Entitlements Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator RONALDSON (Victoria)

(10:01): I rise to speak on the Veterans' Entitlements Amendment Bill 2011 and flag that I will be moving an amendment during the Committee of the Whole to omit schedule 2 from the bill. This bill seeks to do three things. Firstly, the bill establishes a prisoner of war recognition supplement—a POWR—of $500 per fortnight, which will be paid to around 900 eligible former prisoners of war. Secondly, the bill seeks to clarify arrangements concerning offsetting provisions under the Veterans' Entitlements Act 1986. I will speak in further detail about this schedule shortly. Finally, the third schedule of this bill rationalises the way temporary incapacity payments are made under the bill.

The coalition supports schedules 1 and 3 of the bill. Of course, schedule 1 of the bill builds on a similar initiative of the previous coalition government. The previous coalition government made one-off ex gratia payments of $25,000 to Australian ex-POWs. In 2001 these payments were made to former Japanese POWs, in 2003 to prisoners of the North Koreans and in 2007 to former captives of the Germans and Italians. Honourable senators will know of my close personal connection to the ex-POW community in Australia through my involvement as co-chair of the Australian ex-prisoner of war memorial project in my home city of Ballarat. The coalition supports the supplement, which will be available to approximately 900 POWs who are known to the Department of Veterans' Affairs. The first payment will be made on 6 October and the measure will be in place from 20 September this year.

Schedule 3 of this bill rationalises temporary incapacity payments under the Veterans' Entitlements Act 1986—the VEA. The changes abolish the payment of temporary incapacity allowance under the act, with those previously eligible for this payment being transferred to the loss of earnings allowance presently available under the VEA. The rationalisation of these payments reflects the changing nature of Australian society. A stay in hospital and periods of convalescence can be much shorter now than in the past. The temporary incapacity allowance currently paid under the VEA requires an eligible veteran to be hospitalised or unable to work for a minimum period of 28 days. After 28 days the veteran is eligible to apply to receive an allowance, which is backdated to the first day of hospitalisation. The changes proposed by the amendment remove the 28-day qualification period and replace it with a pro rata loss of earnings allowance which...
compensates for an actual loss of earnings. The Parliamentary Library explains that the amount of loss of earnings allowance payable is the lesser of the difference between the T&PI rate of disability pension and the veteran's present rate of disability pension and the amount of salary, wages or earnings actually lost, including loadings or other allowances that would have been payable. This is a sensible amendment which the coalition and the ex-service community support.

Schedule 2 of the bill has been the subject of a Senate inquiry and the coalition is opposed to it. Schedule 2 of the bill seeks to amend provisions in the Veterans' Entitlements Act 1986 to clarify the operation of compensation offsetting provisions. Offsetting occurs when a person is eligible to receive compensation from two or more separate Commonwealth compensation schemes for the same incapacity resulting from injury. Offsetting dates back to 1973 when the Whitlam Labor government determined to broaden the application of the former Repatriation Act to cover certain non-warlike service. As a consequence of this action, some eligible ex-defence personnel were able to access compensation under two acts—the Repatriation Act and the Compensation (Government Employees) Act 1971. The offsetting changes introduced in 1973 and backdated to 1972 were intended to apply to dual eligibility for compensation paid from Commonwealth compensation schemes. A vital premise of Australia's repatriation system is that the Commonwealth will compensate for incapacity, not for the injury itself. As a result, two people with the same injury may receive different rates of compensation based solely on the degree to which each person is incapacitated. The coalition supports this principle, as does the veteran and ex-service community.

I now turn to the Smith case. The amendments proposed by this schedule arise from a decision of the full Federal Court. In the matter of Commonwealth of Australia v Smith (2009), the court found that compensation offsetting should not apply to Mr Smith because of the unique circumstances of his case. Mr Smith was receiving compensation under the VEA and the Safety, Rehabilitation and Compensation Act 1988 for two separate incapacities relating to separate periods of service in the Australian Defence Force. In the first instance, Mr Smith received compensation under the VEA for a duodenal ulcer and PTSD as a result of his service in Vietnam. Secondly, Mr Smith received compensation for anxiety arising from his service aboard HMAS Melbourne at the time it collided with the Voyager. The court held that these two conditions were not related and, on the basis of this fact, determined that offsetting should not apply under the act. I note the Commonwealth did not pursue this matter beyond the Federal Court. The Commonwealth argued that Mr Smith was being twice compensated for the same incapacity—a position the court disputed, holding that the injuries and resultant incapacities were different and separate. The court awarded a confidential settlement to Mr Smith and found in his favour. Consequently, the government is now seeking to clarify the legislation to make clear the Repatriation Commission's understanding of the intention of the legislation—and I use the word 'clarify' advisedly.

At the coalition's request, a Senate inquiry into the bill sought submissions from the veteran and ex-service community. In particular, I thank the RSL, Legacy and the Vietnam Veterans Federation of Australia for their participation and the RSL for attending the public hearing in Canberra on 11 August. Three weeks ago, the report of the Senate
Foreign Affairs, Defence and Trade Legislation Committee's inquiry into the bill was tabled in the Senate. My colleagues Senator Alan Eggleston and Senator David Fawcett tabled a dissenting report which calls for schedule 2 of the bill to be omitted. I thank both of my colleagues for their significant input into this inquiry.

During the inquiry, the RSL forcefully put the view that the proposed amendments went above and beyond the intention of the 1973 legislation which the government allegedly seeks to clarify. Further, the RSL put the view that appropriate provisions already exist in the legislation and in accompanying regulations to ensure that offsetting cases similar to Mr Smith's would be treated fairly under the act. The department did not dispute the detail of the RSL's analysis. It was also made clear during the public hearing and in other representations to me on other matters that parliament must maintain the ability to set the policies by which the department, the Repatriation Commission and the Military Rehabilitation and Compensation Commission operate. In particular, I note Rear Admiral Doolan's statement:

… the RSL view is that it is much better to have the legislation being the basis for all these matters than to have it by regulation.

The coalition agrees with this and is concerned that these proposed amendments to, as the government claims, clarify the operation of the act will still require guidelines to ensure they are applied properly. Parliament's intention, rather than the department's, must be paramount in this respect. Parliament's original intention was sufficiently clear in this case. I will shortly move an amendment to omit schedule 2 from this bill. I ask honourable senators to consider the best interests of our veteran and ex-service community and support the coalition's amendment.

I understand that there may be some alterations to the explanatory memorandum to the bill. I do not know whether these are clarifications or what they are, but we are advised that there will be some alterations. I certainly have not seen the altered explanatory memorandum and I do not know whether the minister on duty is able to nod her head to indicate whether or not this will be tabled. Obviously it would be an extraordinary situation were I to be starting my second reading speech in relation to this matter and it was being proposed to alter the explanatory memorandum. In fact it beggars belief that that would actually occur at this eleventh hour. So I am assuming that this will not be the case. I have not been advised by the minister's office or anyone else about it. We will wait and see. The amendments proposed in schedule 2 have not been justified and more work needs to be done before the parliament considers the measures presently opposed. The coalition will support schedules 1 and 3 of this bill but oppose schedule 2.

I will briefly address some other matters. I notice that my colleague Senator Fawcett has now entered the chamber and I will repeat the thanks I gave to him earlier for his significant involvement in the Senate inquiry and his very considerable input into it. The so-called winter recess has been an extraordinarily busy period. I want to thank the hundreds of veterans and ex-service-people, and their families, who I have met during my travels—everywhere from Albany to Geraldton in Western Australia, to Mackay, Townsville and Cairns in North Queensland, and from Sydney to Warrnambool, amongst other places. I look forward to spending more time on the road shortly and encourage people with an interest in veterans affairs to participate in the coalition's veterans forums which are being held right across the country.
The biggest issue I am hearing is the ongoing unfair, unjust and inequitable situation facing DFRDB superannuants as a result of the shameful decision by this place to oppose the coalition's fair indexation bill. Honourable senators will be only too aware of the anger in the community at the decision of Labor, the Greens and Senator Xenophon to block the coalition's fair indexation bill from passing on 16 June. Those opposite should hang their heads in shame for this shameful decision to oppose the bill.

I want to turn now to the Centenary of Anzac. There remains significant concern about the Gillard-Brown Labor government's failure to establish a budget for the Anzac Centenary commemorations, which are getting closer by the day. The coalition welcomes the appointment of Air Chief Marshall Angus Houston as chair of the new Anzac Centenary Advisory Board, but it is fair to say that Air Chief Marshall Houston is flying solo at the moment, with other members of the board yet to be announced or appointed. The elephant in the room, however, is the lack of funding certainty which is jeopardising the planning for commemoration in small towns and big cities right across Australia. The coalition welcomed the $250,000 announced for a scoping study for works in Albany's part of the centenary. Coincidentally, the minister chose to visit Albany the day before I was scheduled to speak at a business breakfast there about the Anzac Centenary itself—imitation is the best form of flattery. I welcome his belated and minor financial commitment to this project and look forward to seeing a real commitment of funds for the Anzac Interpretive Centre very soon. Finally, I turn to advocacy funding. I draw the Senate's attention to the anger in the veteran and ex-service community about cuts to veterans' advocacy in the budget. The minister signed, just prior to travelling to France for the 95th anniversary commemorations of the Battle of Frommelles, letters which dramatically slashed funding under the Building Excellence in Support and Training program, known as the BEST program, as well as the Veteran and Community Grants program. The BEST grant program was established by the previous government. The grants enable ex-service organisations to provide assistance to veterans, veterans' families, members of the Defence Force and their families. The grants assist volunteer veterans working in our community to assist those who have served our nation and are in need of assistance. These volunteers help veterans file claims for compensation. These volunteers touch base with our ageing veterans and war widows to ensure they do not become socially isolated. They provide help and support to those in our community who want to discuss their experiences with someone who understands what they have been through. Cutting this funding could not have come at a worse time. Frankly, this government has no mandate to cut funding to this program but, just as with the carbon tax, it is going to do it anyway. Page 5 of the Review of DVA-funded ESO advocacy and welfare services, which was tabled in February, says:

There is also a strong belief that the current practice within Australia, whereby ex-serving members voluntarily take on a role to assist in claims preparation ... has worked very well—

I repeat, 'has worked very well'—and should continue to be supported through funding mechanisms such as the BEST program. The very nature of this voluntary work should be valued, not understated.

It went on to say that the government must be mindful that BEST grants funding should be:

... sufficient to meet the needs of the veteran community.
How the government can justify cutting $8 million from veterans' advocacy funding but then spend $12 million advertising their carbon tax broken promise is beyond the comprehension of most in the veteran and wider Australian community. The decision to cut this funding, made without warning and without any consultation, will potentially and dramatically spell the end for ex-service organisations, which simply will not be able to survive.

My office has been inundated with angry veterans pension and welfare officers asking how they are meant to survive on a grant which has, in some cases, been cut more than 50 per cent on last year's funding. This is even more concerning given applications for this funding round were received in March, when no mention of funding cuts had been made by the government.

One of those organisations is the Geelong Veterans Welfare Centre. Recently I spoke in the Senate about commemorations at the Vietnam War memorial in Geelong. The Vietnam veterans centre in Geelong is located at Osborne House, a historic property with long links to the defence of the nation. After the memorial service, members of the local veteran community came up to me deeply concerned about the impact of the BEST cuts on the veterans of Geelong. They have made available to me a letter they sent to Minister Snowdon with their concerns:

The Geelong Veterans' Welfare Centre has the largest client base in Victoria and is the busiest office.

We ... cover areas as far a-field as the south-west coast to Warrnambool/Port Fairy/Portland and up to Hamilton/Horsham and back through Rokewood and Colac.

The letter goes on to say:

The loss of funding, particularly to the salary, will severely limit our capacity to fill the Administration Support Officer position and will most likely force our employee to seek other employment opportunities.

What a disgrace, an utter disgrace! Mr Deputy President, I seek leave to table this letter from the Geelong Veterans Welfare Centre to the Minister for Veterans' Affairs outlining the impact of the cuts on the centre and the services it provides to veterans and their families in the wider Geelong region.

Leave granted.

Senator RONALDSON: I am sorry to say that this situation is repeated right across the country. Over the last three months, I have had the honour to speak at RSL state branch congresses across Australia. In his remarks to at least three of these congresses, the minister has said that the number of veterans of the Afghanistan conflict will shortly equal the number of veterans who served in Vietnam. But the justification for these cuts is a 25 per cent decline in the veteran population—that is, a decline in the VEA veteran population, not in veterans making claims under the SRCA or the MRCA.

Younger veterans will still need advocates. These cuts in funding will flow on to reduce access to assistance for them and their families when they return home. The government has absolutely got this one wrong and the coalition and the veteran community demand answers, not more spin from this Gillard-Brown Labor government.

The coalition supports schedules 1 and 3 of this bill. We will move to remove schedule 2 during the Committee of the Whole because doing so is in the best interests of veterans and their families. If the government really sees value in this amendment, it will consult further and then bring this measure back to the parliament with the support of the veteran community.

I have just been given an addendum to the explanatory memorandum. Clearly, I have
not had the opportunity to look at this. Can someone tell me why on this matter, which has been on the books for two or three months, I am now getting an addendum to the explanatory memorandum 10 minutes after I have started speaking? What is going on with this government? What a disgrace! These amendments were circulated weeks ago. Everyone knows the urgency of getting these POW payments through. Yet here at the eleventh hour I am getting an addendum to the explanatory memorandum. How can this chamber possibly operate properly when the responsible shadow minister was not given a copy of this addendum to the explanatory memorandum? It is quite disgraceful. This is another example of a government which is in freefall, a government which is divided, a government which has lost control of the agenda and thinks it is appropriate to bring an addendum to an explanatory memorandum into this chamber when the debate has started. I will now go and have a look at this. I suspect it will not allay the fears of those who have been involved in this process—the RSL, the Vietnam veterans et cetera. (Time expired)

Senator WRIGHT (South Australia) (10:22): I rise to speak on the Veterans' Entitlements Amendment Bill 2011. This bill seeks to amend the Veterans' Entitlements Act 1986. The Veterans' Entitlements Act provides for the payment of pensions and other benefits to veterans and certain other persons and provides for medical and other support. The Australian Greens are of the view that, as a society, we send people off to serve on our behalf in situations which potentially place them at great risk. It is only fair then that we ensure we look after them properly when they return home. As an overriding principle, the Australian Greens support fair and equitable compensation, assistance and support for all veterans and their families.

This bill has three schedules. Schedule 1 seeks to create a prisoner of war recognition supplement. This will provide for certain veterans who have been held as prisoners of war to receive an additional supplement of $500 per fortnight in recognition of the severe hardship and deprivation they suffered during their incarceration. Schedule 2 seeks to clarify and affirm the original intention of the compensation offsetting policy in relation to pensions payable under the Veterans' Entitlements Act. The schedule aims to make clear that where compensation is paid from another source in respect of the same incapacity, though not necessarily the same injury or disease, as a pension which is paid under the act, compensation offsetting provisions will apply. The intention is to prevent double payment of compensation for the same incapacity. Schedule 3 seeks to rationalise the current temporary incapacity allowance and the loss of earnings allowance by abolishing the former, the temporary incapacity allowance, and replacing it with an entitlement to seek access to the loss of earnings allowance instead.

Schedule 1 is welcomed by the veterans communities and appears to be supported by all, and schedule 3 is relatively uncontroversial. I will address these schedules briefly before focusing on schedule 2, which deals with offsetting and is more controversial and which has raised some concerns for the veterans communities and for the Australian Greens. These concerns were recognised by the Selection of Bills Committee, which, in recommending an inquiry into the provisions of the bill, focused on schedule 2, stating that the purpose for the inquiry would be 'to seek further information about the changes proposed by schedule 2 and to enable feedback from the veteran and ex-service community about the changes'. The bill was referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee
for inquiry, and I was pleased to participate in this inquiry as a committee member.

Under schedule 1, the proposed prisoner of war recognition supplement will be paid to veterans who were held as prisoners of war and to civilians alike who were interned as prisoners during World War II and the Korean War. Previous governments have made one-off ex gratia payments of $25,000 to former prisoners of war. In 2001, they were paid to those who were detained in Japan; in 2003, to those who had been detained in Korea; and in 2007, to those who were detained in Europe during World War II. The prisoner of war recognition supplement is proposed to be paid in addition to any existing Commonwealth benefits the eligible person receives. It will be exempt from income tax, exempt from calculations in assessing other veterans entitlements and exempt from social security income tests. The payment will be indexed annually in line with the consumer price index. The supplement is not a pension, nor is it compensation based on any test of incapacity or on the person having suffered a war caused injury or disease, and it will not be subject to the offsetting provisions of the act. It is purely in recognition of incarceration.

The Department of Veterans' Affairs estimates that up to 900 former civilian and veteran prisoners of war will be eligible for the supplement. Introduction of the supplement is overwhelmingly supported by the veterans community. It is appropriate that we acknowledge the unique and often traumatic circumstances that prisoners of war endured at this nation’s behest. Neither one-off payments nor fortnightly supplements can possibly fully compensate for the experience of being held as a prisoner of war. But, as a society, we can make these gestures which may make life a little more comfortable for those who have endured so much and acknowledge the contribution these people have made on our behalf. The Australian Greens support schedule 1, the payment of a prisoner of war recognition supplement.

Schedule 3, the proposed rationalisation of the temporary incapacity allowance and the loss of earnings allowance, is a logical streamlining measure which will remove the overlap and confusion associated with two similar payments. This proposal elicited no major concerns from the veterans community or others during the committee’s inquiry. The Australian Greens support schedule 3.

This brings me to schedule 2 of the bill. According to information from the Department of Veterans' Affairs, schedule 2 seeks to clarify compensation offsetting provisions. These provisions apply where a veteran receives compensation for two or more different injuries or illnesses which would result in the same incapacity. The provisions have been used since the early 1970s and schedule 2 seeks to clarify their application rather than to alter them or change when they are applied. Compensation offsetting rests on the principle that compensation is payable for a state of incapacity rather than for a specific injury. This amendment seeks to affirm and give clarity to the original intention of the existing legislation and to ensure the equitable outcome that a person cannot receive duplicate compensation for the same incapacity under different pieces of legislation.

Under the Veterans' Entitlements Act, pensions are payable for war or defence caused injury or disease. Pensions under part 2 of the act are payable to veterans, while pensions under part 4 are payable to current or former Defence Force members with certain peacetime service. The amendment in the bill seeks to ensure that a person cannot receive duplicate compensation for the same incapacity by providing that, if a person is receiving a pension under part 2 or part 4 of
the Veterans' Entitlements Act and the person receives additional compensation from another source in respect of the incapacity or death for which the pension is being paid, the amount of Veterans' Entitlements Act pension is reduced—that is, offset on a dollar for dollar basis by the amount of additional compensation. Most cases involving compensation offsetting arise from duplicate entitlements under the Veterans' Entitlements Act and the Safety, Rehabilitation and Compensation Act and their predecessors, though compensation from other sources, including third party insurance and common law cases, may also be subject to compensation offsetting under the Veterans' Entitlements Act.

The stated reason for the introduction of the bill was to clarify the law after a 2009 Federal Court case, the Commonwealth of Australia v Smith (2009) FCAFC 175, after that case cast doubt on the way in which the department had previously interpreted the Veterans' Entitlements Act. The policy objective of the amendments was said to be to provide some certainty that the offsetting provisions in the Veterans' Entitlements Act could continue to be administered as they had been for nearly 40 years so as to prevent duplicate compensation being paid to veterans for the same incapacity. I was pleased to be a member of the Senate Foreign Affairs, Defence and Trade Legislation Committee for the purposes of inquiring into this bill. During this inquiry, concerns were raised by some members of the veterans community about this schedule, and the Australian Greens had some similar concerns. These can be summarised as: concerns that the schedule would extend the potential scope of offsetting, to the detriment of veterans; concerns about the consideration of legal costs in determining the value of compensation received; and concerns about the apparent discretionary nature in which offsetting provisions could be applied in the future.

I turn to the issue of legal costs first. During the inquiry, I was concerned to learn that, when considering what amount of compensation was received in order to determine what offsetting should occur, the Repatriation Commission allows for one type of legal cost to be subtracted from the lump sum but not another. So the costs which are described as party-party costs are able to be subtracted from a settlement figure and the net figure then used to offset. However, other costs commonly paid by a client to a legal adviser—called solicitor-client costs—are not subtracted. These solicitor-client costs reduce the amount of money actually received by the claimant for their own use. This was raised as a matter of concern by the Vietnam Veterans Federation of Australia and the Returned and Services League of Australia.

The Australian Greens are of the view that solicitor-client costs can often be quite significant and should not be ignored when the settlement figure for offsetting is being calculated. As Rear Admiral Doolan of the RSL said to the inquiry, the figure used for offsetting should be the amount actually paid into a person's bank account. This is only fair. The idea behind offsetting is that a person should not be compensated twice for the same incapacity. However, a person has not actually received that part of the compensation for their own use which has been paid to their lawyer as a legitimate cost of taking the legal action. So, it stands to reason that that part of the settlement should not be taken into account for the purposes of offsetting. The Australian Greens believe that solicitor-client costs should be subtracted from any settlement for the purposes of offsetting calculations.
The committee report notes that this is an area worthy of consideration by government, although it is beyond the scope of the current bill. I understand that there has been a recent extensive review of military compensation, that the government is yet to respond to the review and that further legislative changes are likely in due course as a response to this review. The Australian Greens wish to see the issue of solicitor-client costs addressed in the next amendment bill.

Of more immediate concern is the possibility, raised by the RSL and the VVFA—the Vietnam Veterans Federation of Australia—that the bill would lead to a situation where the Commonwealth could double dip into veterans' disability pensions and would change the system that has operated satisfactorily up to now. I took these concerns seriously, discussing them in more detail with the RSL and the VVFA after the inquiry was completed. While committed to the principle that offsetting was a sound practice in order to prevent a person being compensated more than once for the same incapacity, I was concerned that veterans should not be worse off, given the assurances that the government had offered that this legislation was not intended to do any more than affirm and clarify the situation as it is applied prior to the Smith case.

After discussions with a representative of the minister and senior members of the Department of Veterans' Affairs, I was pleased that the government had agreed to amend the explanatory memorandum attached to the bill to include a clear statement to the effect that the proposed amendments will not change the current operation of the compensation offsetting provisions, including the interaction between the provisions and chapter 19 of the Guide to the Assessment of Rates of Veterans' Pensions, fifth edition—also known as GARP V.

This revised explanatory memorandum reads:

The proposed amendments will not change the current operation of the compensation offsetting provisions. The changes are intended to clarify the operation of the legislation following the Smith decision and ensure that the established compensation offsetting practices can continue.

The expansion to the explanatory memorandum clearly sets out the current practice in the use of GARP where there is an 'accepted' condition and a 'non-accepted' condition and the situation where GARP does not apply. In both cases the memorandum explicitly states that the current practice will not change under the proposed amendments.

There remained a concern, raised by the RSL and the Vietnam Veterans Federation of Australia in the inquiry and subsequently, about the discretionary nature of offsetting practice as it may be applied by the Repatriation Commission or decision makers into the future, notwithstanding what has happened in the past. Again, the Australian Greens took these concerns seriously and I am pleased that, after further discussions with the minister's representative and the department, the government has agreed to add a further paragraph to the explanatory memorandum as follows:

The Repatriation Commission will be issuing appropriate policy guidance to the Department of Veterans' Affairs staff to ensure offsetting occurs in line with the legislation and longstanding practice as outlined above. Ex-Service Organisations will be consulted during the development of this material.

These statements, which will be on the public record, affirm the government's position that schedule 2 clarifies but does not change current offsetting arrangements. As such, the concerns of the Australian Greens about schedule 2 have been substantially addressed. In light of the revised explanatory memorandum.
memorandum, the Australian Greens now support schedule 2, meaning the Australian Greens support the Veterans' Entitlements Amendment Bill 2011, as proposed by the government, with one addition.

On behalf of the Australian Greens, I will be co-sponsoring a second reading amendment to the bill with Senator Nick Xenophon requesting that the government undertake an examination of the cost of expanding the class of persons eligible for the repatriation health card for all conditions—known as a gold card—to include a person who is a nuclear test participant as defined in the Australian Participants in British Nuclear Tests (Treatment) Act 2006, and that such examination of the costing be completed within three months. Consideration of extending the gold card to British nuclear test participants is a matter of principle for the Australian Greens and has been previously proposed by my colleague Senator Scott Ludlam. Australian veterans were exposed to nuclear testing and radiation between 1952 and 1963 at Maralinga, Emu Field and the Montebello Islands. The Greens believe that, given these people were exposed to ionising radiation and the severe health impacts arising from this, they should be entitled to full comprehensive health care, in particular at gold card standard. Currently, British nuclear test participants do not have an automatic right to these entitlements. It seems to the Australian Greens that, given the recognition of the experiences and service of prisoners of war in schedule 1 of this bill, this is also an opportune time to request the government to investigate the costs of implementing this reform for British nuclear test veterans, who were also acting in service of their country. It would be a just and long overdue reform. I understand that, given the relatively small number of veterans involved, the costs would not be unduly prohibitive but I am happy to have this examined. Thus, the Australian Greens are happy to co-sponsor a second reading amendment.

Senator FAWCETT (South Australia) (10:37): I rise to speak on the Veterans' Entitlements Amendment Bill 2011 and note the contribution of Senator Ronaldson and our opposition to schedule 2. The bill gives effect to the following budget measures: a prisoner of war recognition supplement, some compensation offsetting changes, and rationalisation of the temporary incapacity allowance and loss of earnings allowance.

I will touch briefly on schedules 1 and 3 and then come back to schedule 2. On schedule 2, I have a number of issues with both process and principle that I would like to address. With regard to schedule 1, since 2001 lump sum payments of $25,000 have been made to former prisoners of war, particularly prisoners of the Japanese during World War II. That was a well-justified initiative of the Howard government to recognise the conditions and privations that were put upon these people who served their country. In 2003, these were extended to former POWs of the North Koreans during the Korean War and were extended again in 2007 to former POWs interned in Europe during World War II.

The supplement is a $500 per fortnight payment, which I welcome on behalf of the veterans who have been prisoners of war and note that it is tax free and not offset. I believe that is the kind of precedent that we should be setting for all of our support for veterans, whereby we recognise the fact that they have provided a unique service to this country and therefore we should be prepared to provide unique support back to them, even if it is different to the way some other community payments are treated.
Schedule 3 of the bill is a rationalisation of the temporary incapacity allowance and loss of earnings allowance. I notice there will be some veterans who are affected by the wind back of TIA, but all of the veterans organisations that we consulted supported that rationalisation as providing better clarity around those provisions.

I wish to discuss schedule 2 in a little more detail. I particularly wish to thank members of the RSL who came to the inquiry of the Senate Foreign Affairs, Defence and Trade Legislation Committee, as well as Legacy and VVF, who provided submissions to help the committee looking at this provision understand how these proposed amendments could affect veterans and their concerns about them. One of the concerns that we raised in particular was about process. The Minister for Veterans Affairs made statements about the extensive consultation that had preceded these amendments and yet in our discussions, particularly with the RSL, it became abundantly clear that the consultation process in fact was not particularly broad. When it was boiled down, the specific consultation process with peak bodies such as the Returned and Services League consisted of a budget-eve briefing.

The common definition of consultation, as I understand it and as I think a reasonable person in the community would understand it, is a process whereby you engage with concerned parties, put forward a case, seek their feedback and, as appropriate, amend your position based on their feedback. To have a one-way flow of information on the eve of an announcement such that people have no chance, no opportunity, to influence or put forward their case or identify where the amendments may affect them and call it consultation is a real stretch. I believe that in light of the proposed amendments that the Australian Greens are talking about, where the government is promising to consult with the veterans community, we need to look at what it has done preceding this amendment bill and make sure that it is held to account to have meaningful consultation, which means consultation well ahead of the tabling of any changes that gives a real opportunity for people to consider the amendments and to make appropriate and studied responses to the amendments.

I move to the issue of principle. The RSL raised the point that it is very happy with the way the current offsetting provisions work. It accepts the need for offsetting but it also maintains essentially that if it is not broken then don't try to fix it. DVA promises that these amendments will make no change and will have no impact on veterans, which raises the question—particularly given that the Federal Court indicated that the Smith case was unique and DVA is not able to identify anyone else who falls within the same category—as to why the changes are needed. The RSL in particular highlighted that it believes that the Guide to the Assessment of Rates of Veterans’ Pensions, fifth edition, the GARP V, is adequate and addresses the situations where there needs to be some offsetting or pro rata allocation for a combination of injuries that have led to an incapacity.

Coming to the principle of offsetting: as I said, none of the veterans organisations disputed the need for offsetting. If you go back to 1973, when the principle first started to appear in legislation, there was an overlap between the Repatriation Act, the predecessor to VEA, and the Commonwealth Compensation Act 1971, which gave rise to a situation where some people had dual eligibility. It was very clear that there were two Commonwealth schemes under which people could possibly have a dual eligibility. So the concept was that nobody should be compensated twice by the Commonwealth
for an injury that was received during their service. I do not think anyone has concerns with that. What has changed, though, is that the understanding that the offsetting should be between two Commonwealth sources of compensation has been extended so that any source of compensation is included. We see this in both the explanatory memorandum and the DVA submission. In fact, DVA highlighted that some 20 per cent of the offsetting cases they are dealing with are not from Commonwealth sources but from sources such as civil claims and other sources of compensation. There is a flawed principle in the application of this amendment and the way the department has administered offsetting since it was introduced in 1973. If the principle was to make sure that the Commonwealth was not liable twice for one injury, that would be fine. But when you extend that to other sources of income then you start abrogating the duty of care that the Commonwealth has to people who have served this nation. It is important to remember that loyalty flows two ways.

If we expect people to enlist in the armed forces and to be prepared to put their lives, their welfare and their health on the line in the interests of this nation then we should be prepared to return that loyalty to them when they return. If they have been injured, including in the course of their duties during non-war related activities, we have an obligation to care for them. The fact that they may have another injury which was caused during a civilian accident and which happens to affect the same incapacity does not remove the obligation of the Commonwealth to care for those people who have rendered that service to their nation.

This concept of the duty of care is longstanding. Going back to the 1500s, Elizabeth I instructed parishes in England that they needed to care for returned servicemen. During the Napoleonic Wars the British government came up with the concept of the 'deserving poor', recognising that people who returned and who were incapacitated as a result of their service to their country deserved the care of the people of that country. In contemporary Britain—and I use the example of Britain because of the links to the Westminster system—as recently as the last decade there has been the concept of a covenant between the British people, their government and the military.

This covenant has two facets. One is that if the government is going to deploy service men and women then they have a duty to make sure that those men and women are adequately equipped, trained and supported in the theatre of war. Likewise, there is that obligation post service to provide adequate care. I do not believe that the Australian public expects or would support the principle that the Commonwealth should be able to shift that duty of care to a third party just because a veteran has had civilian compensation payable for an injury. If a veteran has signed up to the service and the service has promised to provide adequate care, I believe that is something we need to address as a parliament.

The second facet of this covenant relates to the costs that are considered as part of the offsetting arrangement. Currently if somebody seeks compensation because of an injury then not only does the government take into account the civilian costs—and I dispute that principle—but it does it in a way that I believe is quite unfair. Whilst DVA recognises the party-to-party costs it does not recognise or discount the solicitor-client
costs. That means that if a veteran receives, for example, $30,000 but $10,000 of that is taken up with costs to their solicitor then, rather than recognising that they received only $20,000, DVA treats the whole $30,000 as being compensation received by the veteran and offset appropriately or accordingly. Again, I do not believe a reasonable member of the public would expect that our government should be short changing veterans who had to incur that cost in order to win that compensation in the first place.

To my mind, the government is not only going against the principle of two-way loyalty—of having a duty of care to veterans—by including that civil payment. It is doing it in a manner that is unjustifiable. When questioned on this during the inquiry, DVA’s position was that the offsetting or discounting of the solicitor-client costs was in line with community norms. Again, I come back to the principle that we are expecting people who sign up to serve in the Australian Defence Force to do things that are not expected of the broader community. If we expect that loyalty from them, we should show that loyalty back to them. We should show them that when things like this come up we are prepared to deviate from the community or civilian norm so that we do not disadvantage the veterans in our community.

The RSL also expressed during this inquiry its concern about the long-term changes of the offsetting provisions. The military, in a very welcome move, has increased the amount of rehabilitation available to servicemen. Rather than discharging them on a medical basis, there is an increased focus on rehabilitation. The question was raised—and was not particularly satisfactorily answered by the department—as to the long-term consequences of the costs of rehabilitation and how they may be offset in future years. I note particularly that the concept of offsetting between Commonwealth funds has now crept, without any legislative guidance, to include any source of compensation. The RSL raised the concern that, over time, the way people apply legislation can change and will often change to the detriment of the veteran.

So a number of new factors are starting to come into this whole space, where we see an increase in money spent by the Commonwealth on rehabilitation—and very appropriately. The question remained open, at the end of the inquiry, as to whether there was any guarantee that there would not be a detriment in years to come to veterans who had received payment from the Commonwealth for rehabilitation services to enable them to continue their service. So, all in all, we have an amendment here that the department itself says will have no effect. It cannot identify other people who fall into the case of Mr Smith, whose court case led to this amendment. It is proposing to spend some $2.7 million implementing an amendment it has said will have no practical effect. The ex-service community oppose the amendment and I believe there is no cause for us to support this amendment.

Whilst I commend Senator Wright for her active role and for engaging with the government, it seems to be indicative of the coalition that has now been formed between the government and the Greens in that they were fully informed about the changes to the explanatory memorandum and yet it was only delivered to the opposition shadow spokesperson for this important portfolio when he was 10 minutes into his second reading debate speech. I believe it is a particularly poor effort on behalf of the government to treat their coalition partner differently to the way they would treat the opposition in this important area. It is not the first time they have worked together and,
like Senator Ronaldson, I note and want to record my deep disappointment that the Greens, the ALP and Senator Xenophon joined together to defeat the bill that would have addressed the indexation of the DFRDB.

I also note, again coming back to the lack of consultation, that this government has, without consultation, reduced funding for things like veteran advocacy funding, an important part that enables volunteers within our service organisations to work with people who need advocates. The funding provides them with the training and support that enables them to do an important role. If there is one thing I have seen from my involvement in public life it is that government policy is one thing, but it is the people on the ground, those who have the relationships and the connections to encourage and walk with people through the process to connect them to the benefits that are available from policy, who actually make a difference. Policy by itself does very little. No matter how dedicated public servants in the departments are, they do not have the relationships with people in the community. So it is often these voluntary roles that are really the effective connecting and coordinating bodies, and to cut their funding arbitrarily and without consultation is, I believe, a particularly poor step on the part of this government. It shows a great disrespect for our veterans community and the work they do.

We will not be supporting schedule 2 of this amendment.

Senator XENOPHON (South Australia) (10:55): I indicate that I will be supporting the second reading of the Veterans' Entitlements Amendment Bill 2011, but I reserve my position in relation to schedule 2 of this amendment. I agree with Senator Ronaldson that it is quite unsatisfactory that an amended explanatory memorandum was provided some 10 minutes into Senator Ronaldson's speech on the second reading in relation to this. I am not ascribing blame. I understand from my brief discussion with Senator Wright from the Australian Greens that there were discussions and negotiations with the government last week. That is why there has been a late development in this, in the sense that an amended explanatory memorandum, in relation to schedule 2 of this bill, has been provided. It is important that that explanatory memorandum be thoroughly scrutinised in the committee stage to ensure that the matters raised by the coalition have been dealt with adequately. I will speak about that shortly in relation to that particular schedule and the potential impact it can have on veterans' entitlements.

It would be appropriate for me to raise at the outset, however, the comments made by both Senators Fawcett and Ronaldson on my position with respect to the indexation of veterans' superannuation entitlements. It was a controversial bill and it is a controversial issue. On that particular coalition private senator's bill, which I voted with the Australian Greens and the government to defeat, I voted with a great deal of caution and reluctance, but I made it very clear at that stage that I thought it was important that there be a re-think of this once the review being undertaken by the defence minister, and by a Senate committee, on the Defence Materiel Organisation hands down its findings. Clearly, the potential fiscal implications of that bill were quite significant—in the hundreds of millions if not billions of dollars. That in itself is not a reason not to proceed with legislation, but given the disparity between what the coalition said it would cost and what the government said it would cost and given that this has huge long-term implications in terms of superannuation entitlements, I thought it...
was appropriate that we find savings from the Defence Materiel Organisation and from Defence generally in order to ensure that there is a long-term sustainable method of superannuation indexation for those who have served.

I also made it clear when I spoke at the time that I thought there would always be a priority. I do not think there is any dispute about that in terms of a limited pool of resources for that. That is something I will allude to in the context of this contribution. I want to make that clear to the veterans community, for whom I have enormous respect. I pay tribute to Barry Heffernan, with whom I have worked closely—he works with the Vietnam Veterans Association in South Australia—for the work we have done together. That just reminded me that this morning I need to return Mr Heffernan’s call from the weekend.

But it is important that we put this into perspective. The matter of superannuation entitlements is not over. It should be pointed out, not as a criticism but as a matter of historical record, that the coalition in their time in office did not deal with the issue of indexation. They opposed it. And it is fair to say that there are some in the coalition who were concerned about the budgetary implications of that and did not oppose it in the party room. But the party room has prevailed and is saying that this is the path they are going. I note that it will be coalition policy to take this to the people at the next election, as they are well entitled to do. So the door has not closed in relation to that and I am hoping that in the next few months we will get satisfactory answers in relation to savings from defence materiel and the long-term implications of such a move as proposed by the coalition so that we can have a good outcome for our veterans, not forgetting those who have served our nation, those who have been injured or maimed, who deserve every possible support—and improved support.

That brings me to the bill and a second reading amendment that I will move shortly. This bill contains three specific aspects. Schedule 1 creates the prisoner of war recognition supplement. That is entirely appropriate and I strongly support those measures. I note that Senator Wright, in her contribution, referred to the enormous sacrifice that our prisoners of war have made, the privations they endured. I note that Australian governments of the past have given an additional payment of $2,500 to prisoners of war under Japanese occupation during World War II. That is entirely appropriate. This goes further, in that it provides ongoing benefits to our prisoner of war veterans, and I strongly support that. I cannot imagine what all prisoners of war went through; some in particular went through horrors that cannot be described. I commend the government for going down this path and the coalition for supporting it.

I will talk about schedule 2 in a minute, because it is not a contentious one. It rationalises the temporary incapacity allowance and loss of earnings allowance through the abolition of the temporary incapacity allowance with effect from 20 September 2011. Thereafter, veterans will be entitled to seek access to the loss of earnings allowance. That, too, seems not to be contentious. It is something that the coalition and the government support and it seems to be a necessary technical change to ensure a fairer outcome in relation to the temporary incapacity allowance.

However, it is schedule 3 that is troublesome. It is intended to prevent, the
government says, double payments of compensation for the same incapacity. It is an amendment that has come about as a result of a court decision in the matter of Mr Smith. That was a significant decision. It was a decision handed down at the end of 2009. The Commonwealth and David Ronald Smith was a case which looked at the interpretation of section 30C of the VEA in respect of incapacity from an injury. I think Senator Ronaldson well set out the details of that case involving Mr Smith's circumstances and the decision, and I do not propose to restate that.

The question is whether the government has overreacted in moving these amendments in response to the Smith case. The question is whether these amendments will have a number of unintended consequences, whether they will give too much discretion to the department, whether there can be circumstances in which veterans will miss out on just compensation and on their just entitlements as a result of these amendments, whether we are in fact giving too much power to the department and whether we are creating more legal uncertainty. Even though I am a lawyer by training, I would not want these amendments to lead to a lawyers picnic. I think that is something we need to be very mindful of. The committee stage of this bill will be critical in determining whether the addendum to the explanatory memorandum—a result of negotiations between the government and Senator Wright from the Australian Greens, and I commend her for her diligence in relation to this—will do what it is intended to do and whether it will fix the problem that the RSL have quite rightly pointed out is a significant issue for them.

My question to Senator Ronaldson in the course of the committee stage will be, given that he was handed the explanatory memorandum 10 minutes into his speech, which is less than satisfactory, whether he has heard from the RSL at such short notice as to what their attitude is and whether their position is in any way different as a result of this addendum to the explanatory memorandum. That is a key issue. It may well be that the RSL have not had an opportunity to properly digest this, and you cannot blame them for that given what has occurred. I think it is important that we do not rush this, that we do not ram this bill through. It is important that we hear from key veterans organisations and from the Returned and Services League in particular, given their input into the bill process.

There is another issue, though, that needs to be dealt with. It is appropriate, I believe, in the context of this bill, in the context of veterans' entitlements, to deal with the issue of Maralinga, to deal with the issue of nuclear test veterans in this country and the shameful way they have been treated over many years. In the 2010-11 budget I was pleased with the government's recognition of British veterans' services as non-warlike but hazardous, which meant that those who served between 1952 and 1967 at the British atomic weapons detonation test sites of Emu Field and Maralinga in South Australia and the Montebello Islands off the west coast of Western Australia would have greater access to health services. Over 17,000 Australian soldiers and civilians were directly involved in the tests and assessment of the fallout from the nuclear tests across these sites.

These tests were conducted to enable the United Kingdom to develop nuclear fission bombs and, later, nuclear fusion or hydrogen bombs, and were carried out with the full cooperation of the Australian government of the time. Sadly, many of these Australians have gone on to suffer a range of illnesses as a result of dangerous and continued exposure to high levels of radiation, from cancers to genetic diseases inherited by their children.
Many of them have died as a direct result of this exposure to radiation. There are only around 2,000 survivors left and they are whittling away on a weekly basis.

In the 2010-11 budget, the government set aside $24.2 million over five years so that participants would have their claims to veterans' entitlements, such as the disability pension and healthcare cards, assessed under the more generous 'reasonable hypothesis' standard of proof under the new expansion to the class of persons eligible. However, my understanding is that very little of these funds have been accessed because the standard of proof remains too high for those suffering illnesses as a result of nuclear test service. In May 2007, Professor Al Rowland from Massey University in New Zealand published a scientific paper on chromosome damage that provided hard evidence of the relationship between exposure to the ionising radiation from atomic blasts and certain cancers and birth defects.

I have been contacted about this issue by many who have been affected for some time. I have spoken with many veterans, including Peter Patterson, a retired canon of the Anglican Church, who contacted me after his applications for a gold card and disability pension were denied. Mr Patterson was commissioned by the Australian Military Forces to serve at Maralinga, South Australia, for a period of 87 weeks between 1956 and 1963 as an Anglican chaplain. Mr Patterson has told me that he has suffered from prostate and skin cancer during his life as well as from psoriatic arthropathy, a debilitating chronic arthritis condition which causes the inflammation of all joints. It is incredibly painful and debilitating. However, Mr Patterson's claim for a disability pension was rejected on the grounds that the delegate of the Repatriation Commission was not satisfied beyond a reasonable doubt that the psoriatic arthropathy was related to service.

I have also spent time with Geoffrey Gates, who was 23 years old when he served at Maralinga with the Air Force. He arrived in the middle of 1961, just after the two major bombs had been tested. During his 12 months at the base, tests on smaller nuclear weapons were continuing as well as assessment of the fallout from the bombs. Geoff has survived a brain tumour and both his son and grandson suffer bipolar disease.

Some veterans have told me about how they did nothing more than turn their backs for mere moments before turning around to watch the aftermath of the explosion. That was the modus operandi back then. That was how it was done. There was a complete lack of duty of care to our nuclear test veterans. Despite this, despite the fact that we know that service men had no protective clothing, despite the fact that they were literally rained on with nuclear fallout, I am aware of applicants who have been knocked back for a gold card because the department has determined they were not exposed to harmful amounts of radiation.

I welcomed last year's budget announcement that the participation of British nuclear test participants would be considered as non-warlike hazardous. This was welcomed by the veteran community. But it seems it means almost nothing because what they really need is access to health services and, under the current rules, sadly, virtually nothing has changed.

I have this morning circulated an amendment that will be dealt with by the committee to expand the class of persons eligible to receive the gold card to include British nuclear test participants. The simple fact is that the standard of proof required is too high given nuclear radiation is unable to be so directly proven after the time that has elapsed. But what can be proven is that these veterans were exposed to nuclear radiation in
circumstances where there was a lack of care and respect shown for those veterans who were there being exposed to nuclear radiation. How is it that we sent young men and women to participate in nuclear testing, to observe the mushroom cloud and to clean up the fallout and to this day do not recognise the very serious impacts it has had on their health and the health of their children and grandchildren? This amendment will ensure that those British nuclear test participants will automatically receive the gold card. It should be that simple.

However, I am aware that the government and the opposition may not support that and that they are concerned about the potential cost implications. I see the cost implications here as being quite distinct from the cost implications in relation to the issue of superannuation. I indicated just a few moments ago and at other times since that vote in June on the superannuation issue that I am open for there to be reform. I am open for there to be an improvement in the superannuation benefits. But here is a case where people need access to health care. It ought to be a right for those British nuclear test veterans.

I, and also on behalf of Senator Wright move:

At the end of the motion, add "but that the Government undertake an examination of the cost of expanding the class of persons eligible for the Repatriation Health Card—For All Conditions (Gold Card) to include a person who is a nuclear test participant (within the meaning of the Australian Participants in British Nuclear Tests (Treatment) Act 2006), and that such examination be completed within 3 months".

This is a second reading amendment to ensure that the government will conduct a cost review within the next three months on expanding the eligibility of the gold card to nuclear test participants. I am hopeful that both the government and the coalition will support that. I am hopeful that that will at least be a way forward for those who are reluctant to support my amendment. At least there will be an acknowledgement and some mechanism to deal with the costing of this so that those remaining British nuclear test veterans can have access to the health care that they deserve.

The contentious part of this bill will be schedule 2. Let us wait and see whether the addendum to the explanatory memorandum deals with those concerns. I have yet to be convinced. I think, again, that the protests of Senator Ronaldson that he received it halfway through his speech in the second reading debate are completely justified. I hope that the government will give time to allow key veterans organisations—in particular, the RSL—to provide commentary about the addendum to the explanatory memorandum, because at this stage I am not convinced that schedule 2 ought to be passed. I am not convinced that the government's reaction to the Smith decision is a justified one. But I also urge my colleagues to, at the very least, consider opening the way forward for nuclear test veterans in this country to receive the medical care that they so desperately deserve.

Senator IAN MACDONALD (Queensland) (11:14): I am very pleased to take part in this debate on the Veterans' Entitlements Amendment Bill 2011 and to support any bill that supports our veterans. I am pleased to note that the coalition will be supporting, as I will be, the bill insofar as schedules 1 and 3 are concerned. I am very interested to be following Senator Xenophon in this debate and will be interested to have a look at the amendment he has proposed. I wonder if he has some costings for that amendment. I have to say to Senator Xenophon that it is perhaps too little too late. We really needed your support a few months ago during the indexation debate.
Senator Xenophon: It was a different issue, though.

Senator IAN MACDONALD: It is an issue of support for our veterans community. We desperately needed your support then, Senator Xenophon. You had your own reasons for not supporting us, which was a bit disappointing, but I am pleased to see that you are supporting those parts of this bill which will improve the benefits we give to our veterans.

I will come back the provisions of the bill, but I would just indicate how much our nation owes the veterans—those people who have defended our country in times gone by. What our veterans have done is fresh in my mind from a ceremony I attended yesterday morning in Townsville marking the 60th anniversary of national service. The dawn service yesterday, on the shores of Rowes Bay in Townsville, was a very moving service. It and the parade later in the day were the culmination of a week of activities, during which national serviceman got together in Townsville for this magnificent 60th anniversary celebration. The dawn service yesterday, on the shores of Rowes Bay in Townsville, was a very moving service. It and the parade later in the day were the culmination of a week of activities, during which national serviceman got together in Townsville for this magnificent 60th anniversary celebration, celebrating those who were called up for national service from 1951 onwards and served in the Korean conflict and of course in Vietnam. It was tremendous to see the veterans together, renewing acquaintances, telling lots of stories and remembering friends and colleagues who paid the ultimate sacrifice.

The dawn service in Townsville, which is of course as senators would know classed, or we class it ourselves, as a garrison city. It is the home of Lavarack army barracks, one of the biggest army barracks in Australia, and of course RAAF Base Townsville, formerly Garbutt, which is a very significant RAAF base. A lot of veterans who have served in those services have retired to Townsville, so it is a community, a city, that very much values the work of our servicemen, including our national servicemen. Yesterday's ceremony was really a very moving service. The master of ceremonies was Mr Ben Hobson and the services were led by padre John Emerson. I particularly mention Brigadier Neil Weekes, retired, who has been a tower of strength to veterans over the years since he retired from active service in the army. Brigadier Weekes was a national serviceman himself—he was called up for the Vietnam War—so, many years ago. He later joined the regular army and rose through the ranks to become a brigadier by the time of his retirement. Brigadier Weekes gave a very moving tribute at the dawn service yesterday.

The dawn service was followed by a parade down the new Flinders Street. The veterans who participated were still sprightly—most of them were still in step. It was determined, probably not by them, that some veterans from the Korean conflict should travel in old Willys jeeps and other veteran army vehicles at the head of the parade. Of course, the Townsville regular army band provided the music for the march. The salute was taken by the Deputy Mayor of Townsville, Councillor David Crisafulli, and by Brigadier Stuart Smith, the current CO of Lavarack Barracks. It was a magnificent affair. It brought to mind, as Brigadier Weekes mentioned in his speech, some of the difficulties that some of the veterans of the Vietnam War lived through. The Whitlam government's treatment of veterans on their return from Vietnam is to its eternal shame. As I always say, and as many acknowledge, the decision to go to war in Vietnam was a political decision that a good 40 per cent plus of Australians did not agree with. That was no excuse for taking it out on the veterans when they returned. It was a quite despicable period in Australian history when those troops returning from Vietnam, after fighting for their country at
the government's direction, were spat at and condemned and were shunned, even by family.

Brigadier Weekes gave a telling story yesterday. He mentioned that, in the walk of remembrance at Enoggera barracks, where all of those who were killed in Vietnam had a tree planted and a plaque placed, one soldier from Brigadier Weekes' platoon was not named and was not recognised. That is because his family was so totally opposed to the Vietnam War that they refused to put up the money to provide for the plaque and also refused to have their son's body returned to Australia. That is how hard the feelings were and how divided the nation was. I accept that there was a political division, but it does seem very sad and very unfortunate that the death of this soldier—who, as Brigadier Weekes mentioned, was over 21 and made his own decision to go to war in Vietnam to fight for his country—was not recognised through the placement of a plaque. We also heard of a similar incidence in which a family who did not agree with the Vietnam War do not want their son's name recorded on a plaque at the Australian War Memorial. There is space left for his name, but family members still refuse to have his service in Vietnam recognised. Perhaps they have their reasons. It just seems sad that Australians at the time could not distinguish the political element of that war from the magnificent service of veterans, in this case veterans who were national servicemen.

Notwithstanding that, it was a magnificent week in Townsville, with a lot of activity. The dawn service was certainly very moving. I congratulate the Townsville City Council on the naming of the park on the shores of Rosses Bay, where the national service memorial was constructed a few years ago. Yesterday, following the dawn service, the park was dedicated as National Service Park. The unveiling was conducted by Councillor Deanne Bell on behalf of the Townsville City Council, Mr Warren Hegarty on behalf of the National Servicemen's Association and Brigadier Smith, the current CO of Lavarack Barracks, as I have mentioned.

I congratulate Warren Hegarty and his team on a fabulous week recognising the national service given by so many Australians over so many years. I know Mr Hegarty and his team have been working very hard for years now to ensure that the 60th anniversary celebration would go off without a hitch, and they certainly succeeded in that. It was a great credit to them and a great recognition of the service of so many young Australian national servicemen to their country over the past 60 years.

I want to comment on the matters that Senator Xenophon raised about Maralinga. I have only recently seen his amendments, and Senator Ronaldson will no doubt deal with those in the Committee of the Whole. If Senator Xenophon is embarking upon this process, perhaps some investigation should be made into disabilities suffered by children of veterans who worked at Maralinga at the time of the atomic and nuclear test research. A constituent in of mine in Townsville has certain deformities which medical advice has suggested to her are the result of radiation that her father would have received during his service at Maralinga, prior to her conception. Clearly the department and governments should look at causal effects and costs and ensure that appropriate consideration is given in this area. I think this area should be looked at a little further. I have raised it at estimates hearings and have written to the minister about it. Perhaps it is something that Senator Xenophon might have considered. I hasten to add that, having only just seen his amendments and having only briefly heard him speak, I have not thought the matter through completely. I am sure that Senator Ronaldson, on behalf of the
coalition, will have looked at this a bit more closely and will be able to indicate the areas in which the coalition perhaps does not agree. Clearly there is a need to look at this matter to see whether any harm may have been caused to Australian servicemen and perhaps their offspring as a result of service performed at Maralinga.

I am pleased that the coalition will be supporting schedules 1 and 3 of the bill before us. I will not go into those schedules in any great detail as I am conscious that Senator Ronaldson and other coalition speakers have done so. Suffice to say that, in relation to schedule 2, I am persuaded by the evidence given by Rear Admiral Doolan, head of the RSL, during the Senate inquiry into this bill, where he said:

... the RSL view is that it is much better to have the legislation being the basis for all these matters than to have it by regulation.

I agree with that sentiment. I am concerned that, under the amendments proposed to schedule 2 to clarify the operation of the act, there will still be a requirement for guidelines by regulation or by departmental decree to ensure that they are properly applied. I thought I heard the Greens say in their contribution to this debate that they were now satisfied, because of an explanatory memorandum, that all would be well. Under the Acts Interpretation Act, explanatory memorandums can have some influence on the way legislation and regulation are administered. It would seem to me that if the parliament's intention can be written into an explanatory memorandum it can just as easily be included in the legislation. So, I am concerned about schedule 2. Senator Ronaldson has indicated that he will be moving an amendment to omit schedule 2, and the coalition is doing that in the best interests of our veteran and ex-service community. I certainly urge the Senate to support that amendment.

In conclusion, I congratulate our veterans for all the work they have done over their lifetime. We are certainly as a nation indebted to them. I am particularly grateful that the 60th anniversary celebrations of national service held in Townsville yesterday yet again highlighted for the Australian community the work done by all of those who have served in the defence of our nation.

Senator BACK (Western Australia) (11:31): I am pleased to speak to the Veterans' Entitlements Amendment Bill 2011. At the outset I must declare an interest as a member, however peripherally, of the defence family. Our youngest son was an active service officer with the Royal Australian Armoured Corps, in both Iraq as a lieutenant and in Afghanistan as a captain. So, I have both a personal and a professional interest in this issue. I join my colleagues in supporting these POW supplementary support measures. My only regret is that this was not put in place earlier by either side of the parliament. I fully support it and I am sure the wider Australian community do. I also support schedule 3, relating to the loss of earnings allowance. This is logical and it is what we expect the veteran community would want to see, and I have no doubt it is what the wider Australian community would want us to pass.

In contrast, I join in the opposition to schedule 2 of the bill. It proposes that the power of the parliament to determine the manner in which compensation payments are offset against each other should be removed. In other words, as it has been explained to me, in the event that an ex-serviceman has been wounded and is being treated for some matter relating to their defence service and is then the subject, regrettably, of a further injury—for example a motor vehicle accident which occurred well after their defence experience—then there would be an
offsetting of the compensation to that person one against the other, the non-defence related activity against the defence related activity. I find this to be unacceptable; I find it to be parsimonious. I cannot understand why we are even debating it. We are merely the representatives of the wider Australia community. We are elected by the community to be here to represent the people. The first question I would put to my colleagues on the other side is simply this: do the people want the parliament's power to deal with this issue of offset to be gagged; do they expect this to be devolved to some group of people other than the parliament, duly elected? My second question is: do the people of Australia want there to be a further limiting of veterans entitlements in this type of incident? If a person has been wounded in their service to the nation then my expectation is that the wider community would say let the community meet the costs associated with rehabilitating that person so that they can come back to a normal life and contribute to their family, to the community and to their own wellbeing without there being, hanging over their heads, some concern that if subsequently they are injured in some other unrelated circumstance there is going to be some form of offsetting to limit their entitlements. I find this to be unacceptable and I would bet a pound to a penny that if we were to poll the wider Australian community they would too.

In the legislation proposed by my colleague Senator Ronaldson only in recent weeks we anticipated the indexation of veterans entitlements. Again, if we were to poll the wider Australia community, people would not only have wanted that to happen but also would have shaken their heads and asked why it was ever the case that there was this disparity. It is not to the credit of this chamber that the ALP, the Greens and Senator Xenophon failed to support Senator Ronaldson in that instance. For those who do not understand the implications of that indexation, it is my understanding that the matter went back to 1997 when the age pension and the defence pension were similar, except that from that moment going forward the indexation for the age pension was a combination or a factor of both the CPI and the movement in wages. I see that as being entirely reasonable. Regrettably, defence pensions have not undergone the same level of indexation, having only been linked—and they remain only linked—to CPI. Wage movements over time in this country—certainly since 1997, given the economic growth we have enjoyed in that time—have caused the age pension to move upwards at a greater rate than the defence pension, so there is now a disparity between the two. Senator Ronaldson's bill aimed to redress that imbalance so that our defence veterans would enjoy the same level of benefit—nothing better; no improvement; nothing beyond—as our age pensioners. Surely that is reasonable given the service and sacrifice that they offered.

Veterans and ex-servicepeople have asked me—and rhetorically I ask it here on their behalf—the question, 'What have our service personnel done to incur the wrath of those on the other side and their failure to support that legislation?' They say to me: 'Where did we go wrong? Were we not diligent enough in the service we gave? Were we not competent enough in the service we delivered? Why are we being so harshly dealt with?' I cannot answer those questions.

Senator Xenophon interjecting—

Senator BACK: Senator Xenophon is correct—why did we not address it when we were in government? Our failure to do so, however, is not an excuse to have failed to address that question in 2011. When we speak to everybody in the Australian
community—younger people, older people, people across the board—what do they tell us they expect? When we tell them that our veterans are second-class citizens when it comes to the financial support they get from this nation, most people say to me, 'Go and fix it up.' And we have failed to do so.

My third question, before I move on to the issue of younger veterans, relates to why the coalition did not receive the addendum to the explanatory memorandum until Senator Ronaldson was well into his speech. I think it should be explained why and how the Greens did have that access—and I compliment Senator Wright on her contribution. It is disappointing, if we are going to maturely debate an issue of such importance to the veteran community and of such interest to the wider community, that everybody has not had equal access to the documentation. I will return to this—I have had the opportunity presented to me by chamber staff to actually briefly review the addendum and I wish to return to it.

I was interested to hear the comments of Senator Macdonald with regard to the activities yesterday in Townsville. On Tuesday of last week, I was in the small town of Bruce Rock in the wheat belt of WA. It was absolutely amazing. There are, I think, a thousand people in the shire, with probably 200 to 300 living in the town. Right there in the main street was the most wonderful memorial to the fuzzy wuzzies. That memorial was dedicated last year—one of the original fuzzy wuzzies actually came down, with his son, to Australia and to Bruce Rock for the purpose.

Two Vietnam veterans decided, 11 years ago, that there should be some activity recognising the contribution of the Vietnam vets and the role they played, because we all know that the manner in which they were treated when they returned from Vietnam will, regrettably, forever be a stain on the history of this country. From that humble beginning 11 years ago, there will, when they meet on the first weekend of November this year, be 3,000 to 4,000 Vietnam veterans who will, with their families, descend on Bruce Rock. Last year there were 3,000 and this year they are expecting more. Some 400 are coming from Far North Queensland. It has become an annual event for them all. The shire president explained to me, with a high degree of pride, the activity that goes on, the contribution it makes to that small community and the absolute overwhelming sense of goodwill that exists within those people.

Regrettably, should this legislation go through with the schedule that we are opposing, I am sure one of the questions discussed on that occasion will be the unfairness visited upon that group by the parliament through our inability to deal with this offsetting question. The event is an expression of the enormous interest in, the goodwill towards and the need for that community of military veterans to be able to come together to share values, to share stories and to encourage each other for the future. The last of the Korean War veterans also join them and it is my hope that, over time, should this activity continue in Bruce Rock, it will become a focal point.

There is a group called the Mad Galahs—military veterans, usually non-commissioned officers and lower ranks. They are fairly strident in their views—they express them, as their name suggests, without fear or favour—and they have that long-held healthy Australian disrespect, at least overtly, for senior officers. I can assure you again that they voiced to me very loudly their disappointment about the recent defeat of Senator Ronaldson's bill.

Over the last four to five years I have had the experience of meeting with and
becoming friendly with many of our younger returned soldiers who have left military service. I have to say to you that they are, in my view, the best of the best. I have met young Army, Navy and Air Force officers. I speak to them about what they are doing now, what they were doing in military service and I say, 'Did you really want to leave the service?' In so many instances—and I dare say in my own son's—deep down, they did not want to leave the service.

I have said to them, 'Is it because of the numbers of tours of duty you were required to undertake in places like Iraq, Afghanistan and elsewhere?' They are emphatic when they say, 'No, it's not that.' And so I have said to them, 'Is it because of inferior or inadequate standards of management in your fields of combat?' and the answer has been no. I have said to them, 'Is it because we haven't supplied you with adequate equipment?' and they have said no in the main, even though in some instances they have had to buy their own, which I find to be reprehensible. Nevertheless, on the whole they feel they have been well handled on their tours of duty in the field. So I have said to them, 'Is it because of the attitudes of the wider Australian community towards you?'

As I said earlier, if there is one thing that has happened as a result of the history beyond Vietnam, it is that the Australian community now well understands the differential between our military personnel and the role they play and those who send them there—as should have been the case with Vietnam. We should have always thanked and glorified the Vietnam veterans and, if there were blame or criticism to be apportioned, it should have been sheeted home to the political leaders who sent them. The same occurs today.

I am delighted to record and report—and observe, as you all are—the fact that our returned servicepeople are well and truly adulated by the Australian community. So it is not that which has caused so much wastage of the best of our best of the young military personnel. I will tell you what it is. Almost without exception, it is what they perceive to be the indifference within the Defence bureaucracy and the approach of government to their welfare. These are questions I asked the previous Chief of the Defence Force. We engaged on this quite often. I remain far from satisfied as to the management, the treatment, the welfare and the concern of our personnel as they return. I could give you examples relating to many people. These young people are highly employable in the civilian world, at salaries vastly beyond what they were getting in service—and that was not a reason for them to want to leave—but it is the perceived indifference and the perceived attitude of the Defence bureaucracy which simply causes them to say, 'Things have to be better outside.' As I said, my own son was very concerned about the bureaucracy and the inefficiency. As I said to him, 'The only way you are going to find that it is no different outside the military world is to get yourself into the corporate world,' and he has certainly found that to be the case.

I conclude my comments by going back to this addendum, which was received some minutes after this debate commenced. As Senator Ian Macdonald has indicated, it now suggests a move from legislation to regulation and departmental decree, but it goes exactly to the point I was just making about the Defence bureaucracy. The document says:

... will not change current operations of the compensation offsetting provisions. The changes are intended to clarify the operation of the legislation following the Smith decision—the Smith decision is not explained. It goes on to say that where:

... interaction between the compensation offsetting provisions and Chapter 19 ... and the ...
Rates of Veterans' Pensions, 5th Edition (GARP V), ... will not change under the proposed amendments.

And it says:

Under current practice, if medical opinion is able to determine the relative contribution of an accepted condition and a non-accepted condition to the impairment—

then chapter 19 applies and on it goes. Then it says:

If medical opinion is not able to apportion the relative contribution of an accepted condition and a non-accepted condition—

then the chapter cannot apply. This is exactly the gobbledygook translated down to those in the ranks where they turn around and say, 'This is the bureaucracy we don't need.' I would think that if a person who is likely to be the subject of this legislation were to get hold of this document and say to themselves, 'What does it mean, what does it mean for me and what are the implications for me and ultimately for my family?' they would see that this document stands alone as an illustration of the points I make.

In conclusion, I certainly concur with the support of POW prisoner supplementary payments. I support the schedule 3 loss of earnings allowance and ask the government to reconsider schedule 2 because as it stands it would not receive the support of the Australian community.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (11:50): by leave—I table an addendum to the explanatory memorandum relating to the Veterans' Entitlements Amendment Bill 2011. The Veterans' Entitlements Amendment Bill gives effect to a number of 2011 budget measures. The first measure creates a new prisoner of war recognition supplement payable at $500 per fortnight to former prisoners of war. The new supplement will be tax free and will not be treated as income for the purposes of the income test. The supplement is payable in recognition of the hardships these men and women endured during captivity. It is expected that approximately 900 former prisoners of war will benefit from the new supplement, which will be payable from 20 September 2011.

The second measure clarifies and affirms the original intention of the compensation offsetting policy which applies to disability pensions and has been in place since 1973. Compensation offsetting is applied to disability pensions to ensure that a person does not receive compensation under the Veterans' Entitlement Act and compensation from another source for the same incapacity. The amendments to the compensation offsetting provisions are being made in response to a decision of the full Federal Court, which highlighted the need to clarify and affirm this aspect of the legislation. I might, as an aside, note that that decision of the full Federal Court is referred to in the addendum as 'the Smith decision'.

The amendments make it clear that compensation offsetting is to apply where a disability pension and compensation from another source are payable in respect of the same incapacity and do not require that the incapacity result from the same injury or disease. As the amendments are clarifying and affirming the legislation, they will not result in any change to the compensation offsetting practices currently being applied. No current disability pensioner's rate of disability pension will change because of the amendments in schedule 2 of the bill.

The final measure will rationalise payments for veterans and members who are undergoing treatment for war or defence caused injuries or diseases. The bill will remove the current overlap in the allowances paid to veterans and members who are unable to work due to episodes of medical
treatment and recuperation for war or defence caused injuries or diseases, and it allows the government to better target assistance to those in need. Under this measure the payment of the temporary incapacity allowance will cease from 20 September 2011, with future payments being better targeted through the payment of the loss of earnings allowance. The cessation of the temporary incapacity allowance will have no impact on a veteran's or member's rate of disability pension. From 20 September 2011, all eligible veterans and members receiving treatment or recuperating from war or defence caused injuries or diseases will be assessed consistently against the criteria for loss of earnings allowance.

These measures continue the government's commitment to targeting and enhancing services and support to our veterans and members and their families. I commend the legislation to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Stephens): The question is that the amendment in the names of Senator Xenophon and Senator Wright be agreed to. All of that opinion say aye, against no. I declare it lost.

Senator Xenophon: The ayes have it.

The ACTING DEPUTY PRESIDENT: Senator Xenophon, are you seeking a division?

Senator Xenophon: Yes, I am.

The ACTING DEPUTY PRESIDENT: Senator Xenophon, under the standing orders a division may not be held before 12.30 pm today, so the matter before the chair must be postponed until that time. This means the bill itself cannot move until that time, and we will have to move to the next bill.

Senator XENOPHON (South Australia) (11:55): I seek leave to make a short statement which may assist.

Leave granted.

Senator XENOPHON: Subject to what the co-mover of this second reading amendment, Senator Wright, says on this, of course procedurally we cannot have a division before 12.30. If it is on the record that both the government and the opposition oppose this amendment then that would obviate the need for a division in these circumstances—if that would assist the chamber to proceed with the bill. As long as it is clear who has voted for what, I think that would be a fair outcome. I invite the government and the opposition to set out their reasons for opposing the amendment. That is not strictly necessary, but that way we can move on with this piece of legislation.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (11:56): I am happy to pursue that approach and set out the reasons that the government is opposed to the amendment. If that is the will of the chamber, I am happy to proceed on that basis. On that basis I seek leave to make a short statement.

Leave granted.

Senator FEENEY: I thank the Senate. In setting out the reasons for the government's opposition to Senator Xenophon's proposed amendment, first let me point out that in the 2010-11 budget the government provided a $24 million compensation package to British nuclear test participants under the Veterans' Entitlements Act 1986. This package ensured that Australian Defence Force participants were provided appropriate compensation and health coverage for any condition related to their service in the testing program. British nuclear test participants are also eligible to receive non-liability health care for all cancers. British nuclear test participants are able to access a gold card. It is provided
I want to talk about a number of matters today. I do have some questions for Senator Feeney, the Parliamentary Secretary for Defence, but I want to start the discussion on my amendment by again reiterating that the opposition strongly supports schedules (1) and (3). We do so in relation to schedule (1) because in government we had a very proud history of assistance for POWs and we do so in relation to schedule (3) because it makes eminent sense. We support the government on both of these matters.

The issue, both from the opposition's point of view and from the point of view of the Senate Foreign Affairs, Defence and Trade Legislation Committee with its dissenting report, and from many within the ex-service community, is schedule (2). The onus has been placed on the government to establish why this amendment is required now. Part of that onus, quite rightly, would involve, one would have thought, discussions between the government and the ex-service community on the justification for this schedule, in particular the outcome of the Smith case and the longstanding legal position in relation to these matters, given that the government is unable to say for sure whether anyone will be or will not be adversely impacted by the measures in schedule (2). In the budget, the government said that it wanted to spend $2.7 million to put in place processes to ensure that previous requirements for offsetting and identification of potential offsetting cases were made clearer. The obvious question to be asked about this is: why not get your systems in place first? What is the mad rush to go ahead with schedule (2) now, particularly with the degree of nervousness within the ex-service community on this matter? What is the requirement to do so now?

What really worries me and the rest of the opposition, as well as other senators in this place and the ex-service community, is the
fact that there has been no consultation on this. The Smith case was decided in 2009. There was no consultation with the RSL, for example, prior to the budget. Prior to the budget, there was no discussion with the RSL on the budget measure. Given that everyone knew the circumstances surrounding the Smith case, and given that it had been discussed at the roundtable and other forums before that, why not consult with the ex-service community? Why not let them have some input into it? But it was actually worse than that. Even after the budget, the government still refused to discuss this until there was a referral to the Senate committee, and only then did the government start consultation with the ex-service community.

To make matters worse, today we have learnt that the government's partners in crime in the running of this country, the Australian Greens—the Gillard-Brown government—were given the opportunity to see this revised explanatory memorandum well in advance of today's debate. Was Senator Xenophon shown that? Was the opposition shown that? Was the RSL shown that? Was the Vietnam Veterans Federation shown that? Was Legacy shown that? No, they were not. They were told that something would be coming, that there would be an amendment to the EM which would clarify it. They have not, on my understanding, to this day—certainly not of an hour and a half ago—been given the opportunity to see that amended EM. The parliamentary secretary has got to stand up here when I finish and say why the Australian Greens are deserving of this but the rest of us do not? On what basis does the government justify that? This is a matter of very, very significant concern to the ex-service community. They want to know that this schedule is not going to have a negative impact on anyone else and they, quite rightly, have been pursuing the government to get those guarantees. The government had the opportunity to consult on this matter. Why was my office not told the content of this revised EM?

Why did the government choose to speak to the Greens about this rather than speaking to the ex-service community, when the President of the RSL himself had taken the time to appear before that committee and expressed some very significant concerns about this matter. I will read them for the parliamentary secretary. Rear Admiral Doolan said:

The RSL view is that it is much better to have the legislation being the basis for all these matters than to have it by regulation.

That underpins the concerns of the ex-service organisation in relation to this matter.

I am sure that the Greens spokesperson felt very special getting the heads up about this. But surely the Greens felt some necessity to ensure that other people knew about it rather than doing a dirty deal with the government? What a start that is! Why not come to us and say: 'What do you think about this? You've got amendments on the table. You've had them there for some time. We know schedule 2 is an issue for you; why not come and have a talk to us about what that amended EM said?' Why not have the courtesy to go to Legacy, the RSL and others, show them the revised EM and ask for their opinion? Why not do them that courtesy?

CHAMBER
Senator Wright interjecting—

Senator RONALDSON: You say you did. Are you saying, Senator, that you did or did not. If you did, I will apologise and sit down. But if you did not—

Senator Wright: In a minute, I will speak then.

Senator RONALDSON: All right. I will look forward to that. I think I know the answer on the back of that because I would have thought it was a great opportunity to sit me down. If you have not taken that, that is your issue and not mine.

Let us look at our other concerns in relation to this. As I am sure the parliamentary secretary has been told by now, the Vietnam Veterans Federation and the RSL are extremely concerned about this matter being dealt with by regulation. I will tell you what else they will be concerned about. I read from the last part of the addendum to the explanatory memorandum:

The Repatriation Commission will be issuing appropriate policy guidance to the Department of Veterans' Affairs staff to ensure offsetting occurs in line with the legislation and long-standing practices outlined above. Ex-service organisations will be consulted during the development of this material.

'Ex-service organisations will be consulted during the development of this material.' Why would they have any faith that they are going to be consulted about this when they were not consulted prior to the budget? They were not consulted until this matter was referred off to a Senate inquiry and they have not been consulted in relation to the addendum to the explanatory memorandum. Why would they have any confidence at all either that they are going to be consulted or their views are going to be listened to?

If you come back to me and say that you have put in place the IT systems, which we support—and I accept the words of the department that they need to ascertain whether there are going to be further offsetting issues—then we will talk to you about this schedule. But we are not prepared to take this from legislation into regulation. We do not believe the undertakings are sufficient to enable us to support it going from legislation to regulation.

I am amazed, quite frankly, that the government itself is prepared to impose a layer of risk on this by bringing this schedule in now. Get the system sorted out—we support you in getting the system sorted out—then come back into this chamber and say: 'We've got the systems worked out. We are confident that those systems will mean there will be no adverse impact for any veteran and we need to change the legislation to enable things to be done by way of regulation.' At that stage we will be quite happy to talk to you about it, but we are not prepared to take the authority of this chamber and give it to the department by way of potential regulation or other interpretation. We are not prepared to remove the right of this chamber on this matter. I am absolutely amazed that the government is prepared to do so. Get the systems sorted out. We support your systems being sorted out. It seems a lot of money but if that is the view of what is required to sort the systems out, go for it; it has our support. But do not come here and put the cart before the horse.

I say to the Greens that if they are serious about ensuring that there is no adverse impact for any veteran then they will abandon the quite obscene sign-up to this addendum to the EM and they will say to the government as well, 'You come back when you have put your systems in place and then we will talk about whether schedule 2 is required.' The government has failed to justify this schedule. The government has been told by the ex-service organisations that they do not support this schedule. The
government has been asked by those ex-service organisations not to rush into this because the ex-service organisations quite rightly want to be 100 per cent sure that there will be no adverse impact. Perhaps the parliamentary secretary, given everything I have said today, can tell me this: what is the requirement for this to be done now, prior to the systems being put in place? Why can this schedule not be removed? I will speak to the minister as soon as those systems are in place and both he and I are confident that there will be no adverse impact. Then we can get it through this place very, very quickly. But at the moment there is no justification. At the moment the ex-service organisations are opposed to this. The parliamentary secretary has the opportunity to actually support the removal of this schedule, get the systems in place and then come back so we can talk about it. (Time expired)

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:15): I am happy to endeavour to respond to some of the points made by Senator Ronaldson. Firstly, I will turn my attention to the question of the explanatory memorandum. As I comprehend it, the Senate committee suggested that additional information be inserted into the explanatory memorandum to make it clear that established offsetting practices will not change as a result of the amendments. The additional information also includes an explanation of the interaction between chapter 19 of the Guide to the assessment of rates of veterans' pensions and the offsetting provisions. It is my understanding that ex-service organisations are aware that the government is now making changes and that in large part those changes reflect requests of government by those organisations.

As to the mystery of when and how the addendum came to be lodged, I cannot really assist Senator Ronaldson except to say that I understand it was lodged with the Table Office on Friday. I will allow Senator Ronaldson to pursue the rest of the mystery as he sees fit.

In response to the opposition's allegation that the government has failed to fully justify the need for a change I would point out that the rationale behind the amendments has been explained in the budget materials, in the explanatory memorandum and at the committee hearings. I will reiterate that the amendments will not change the operation of the offsetting provisions but merely clarify and affirm the longstanding policy of numerous governments in relation to offsetting disability pension compensation. The clarification of the legislation will assist veterans, their representatives and others involved in such matters to understand how the offsetting arrangements operate.

It is critical for the government to place on the record that the proposed amendments will not and cannot result in a double offset as has been alleged. When the Guide to the assessment of rates of veterans' pensions is used, the offsetting provisions cannot apply in respect of that impairment. The operation of the Guide to the assessment of rates of veterans' pensions does not fully cover all cases in which individuals have different conditions attributed to an incapacity. In essence, the operation of that guide covers only one potential set of circumstances. The proposed amendments are necessary to deal with circumstances that are not dealt with under that guide and in which it is not possible to use that guide.

As for the assertion that the government did not consult with the ex-service community prior to incorporating these amendments, let me first make the point that the Department of Veterans' Affairs has engaged in appropriate consultation with the ex-service community in relation to the full
Federal Court's decision in Commonwealth v Smith. The Department of Veterans' Affairs has consulted with the ex-service community from budget night onwards about the proposed amendments to the offsetting provisions of the Veterans' Entitlements Act. This consultation has been undertaken in accordance with the confidentiality restrictions associated with budget measures and legislation.

On the question of the computer software and the changing of systems, the Department of Veterans' Affairs is committing staff and information technology resources to improving existing policy, procedural and other resource material concerning the application of the offsetting provisions. This work would be taking place regardless of the proposed amendments now being considered. This work includes the improvements of existing systems and the creation of better tools for staff to manage claims for which offsetting is required. It will also work to improve communication with affected clients and interested stakeholders. The provision of policy guidance material to staff, particularly in areas of complexity such as this one, is longstanding common practice.

Senator RONALDSON (Victoria) (12:19): I have a question for the parliamentary secretary. When was the addendum to the EM provided to the RSL, the Vietnam Veterans Federation and Legacy?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:20): My advice is that those ex-service organisations are aware that the government is making changes. I am unable to advise as to whether they have cited the addendum, but I would be happy to provide that advice as soon as I can clarify that point.

Senator RONALDSON (Victoria) (12:20): I would have thought that is absolutely pivotal to our discussions today. There are a lot of advisers sitting in the box over there beside the parliamentary secretary, so I am sure he can get a very quick response for me. I ask him to do that as a matter of urgency by turning his head to his left and asking the question of those advisers.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:21): Senator, I congratulate you on your intrepid eye, but I have already asked that question and the answer I have provided in these proceedings is as good as I can do at this point.

Senator RONALDSON (Victoria) (12:21): On the basis of the parliamentary secretary's response to my question, it is quite clear that the RSL, the Vietnam Veterans Federation and Legacy have not been provided with the opportunity to look at this amended EM to get their feedback. On that basis, I cannot see how this chamber can possibly proceed with this matter until those organisations have seen the addendum. I think that should be done as a matter of urgency and I think this bill should be delayed until that occurs. I move:

That the committee report progress and ask leave to sit again.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:22): This is probably the last contribution I can make to this—

The TEMPORARY CHAIRMAN (Senator Crossin) (12:22): I have to put forthwith the motion moved by Senator Ronaldson. The question is that the committee report progress.

The TEMPORARY CHAIRMAN (12:22): The noes have it.
Senator Ronaldson: I believe the ayes have it.

The TEMPORARY CHAIRMAN (12:22): A division is required, but this is tricky because we cannot have any divisions until after 12.30 pm, so we cannot get out of this committee for another six or so minutes. I will call Senator Wright, who might want to respond until 12.30 to some of your earlier points. I have no other way but to continue in that manner.

Senator Ronaldson: Point of order. My understanding from matters that occurred earlier is that once a division is called for it will put any further debate back until the appropriate time.

The TEMPORARY CHAIRMAN (12:23): That is correct, but under the agreement between the parties in the Senate I cannot call the division until 12.30 pm. We are in a bind here. Your question must be put immediately, which I cannot do until 12.30. Once that is voted on, depending on the outcome of that vote, that would determine whether or not we progress with this bill. So we have a five-minute delay.

Senator Ronaldson: I seek leave to make a statement.

Leave granted.

Senator RONALDSON (Victoria) (12:24): I thought it would be! But only for five minutes. We are insisting on this matter being put and voted on, because we do not believe that within 24 hours the government cannot ascertain from the Vietnam Veterans Federation, the RSL and Legacy whether this addendum to the EM clarifies their concerns. I am completely and utterly gobsmacked—to use an expression my children use—that the government is not actually asking the question, because this may well resolve this issue. If the RSL, the Vietnam Veterans Federation and Legacy come back and say that the addendum satisfies all their queries, my view would be that the opposition would look very seriously at that. If they come back and say that it still does not clarify their concerns, then that position would surely require a change of attitude from the government in relation to the progress of this matter.

This is not a political point between the government and the opposition. This is about whether or not we are prepared to take a risk in relation to entitlements and in relation to people's futures. Surely it is incumbent upon the chamber to do that. For the sake of just four, five or six hours, go back to the RSL. I will call it now: if I get a phone call from the RSL, from the Vietnam Veterans Federation and from Legacy that this amendment satisfies their concerns I give the parliamentary secretary an undertaking that we will not oppose this schedule.

The chamber needs to understand that we are opposed to this schedule because those who know best what the likely outcome of this schedule might be have been opposed to it themselves. This debate is not rocket science. If those organisations are concerned about it, then we should be concerned about it. If their concerns have not been clarified to their satisfaction then we should be concerned about what the outcomes might be. Why not just send this addendum off to these three groups and then can come back to us. We can put this off until tomorrow. I give the parliamentary secretary and the minister my undertaking that if these groups come back and say, 'That has satisfied our queries,' that will be the end of the matter and it will go through. But we are not prepared to stand here when those three organisations, and presumably others, have expressed that they are dissatisfied with what has been promised to date and that they still have concerns. I cannot believe that Senator Wright, whom I have known for a long time, would not be prepared to accept that we need to get this
clarified. We can then move on from this matter. I do not want to see anything occur that is going to impact on other parts of the bill, but I am not going to cop it today by supporting a schedule that is not supported by very significant sections of the ESOs. Let them have a look at this amended EM. Let them come back and tell the government they are happy with it. If I get the same phone call, this matter will be dealt with and we can move on to other legislation. You have my firm undertaking that if Legacy, the Vietnam Veterans Federation and the RSL say that the addendum to the EM meets their concerns that will be the end of the matter. But we are not prepared to sell these organisations down the river. We are not prepared to take this from being legislation to being a regulation. I cannot believe that anyone in this chamber would not be prepared to accept that we need to get some clarification about the addendum from those who are opposed to it. I am sure my colleague would be very happy to hear from the RSL, because my colleague sat in on this inquiry. Senator Fawcett was there and he heard the National President of the RSL expressing his concerns. If the National President of the RSL comes back to Senator Fawcett, Senator Eggleston and me and says, 'We are prepared to accept what is in the addendum,' then the matter gets through.

I ask the government: please, just for the sake of four or five hours, go and get some advice in relation to this. Everyone knows it should have been done beforehand. Everyone knows it should have been done beforehand. It was not, but let's just get on with it. I will have nothing further to say about the lack of consultation if we defer this, find out what it is and come back. We can get it listed. We can get it slotted in. We can get it done and dusted very quickly. There are no more speakers.

We are in committee. We can deal with this. Let's deal with it on the back of reasonable knowledge about the people who are not owed a disservice from this chamber by not being consulted in relation to it. I ask the Greens: if the government is not prepared to accept this, please support us for the sake of literally four or five hours. It may well be that this can be clarified this afternoon—I do not know. But it is a matter of getting this material to those organisations who are owed the courtesy of consultation by everyone in the chamber—not just the government, not just the opposition, not just the Greens and not just Senator Xenophon and Senator Madigan. Everyone in this chamber owes them the courtesy of finding out what their views are in relation to this matter.

Question put:
That progress be reported.

The committee divided. [12:36]
(The Chairman—Senator Parry)

Ayes ...................... 30
Noes ...................... 33
Majority ................ 3

AYES
Back, CJ
Bernardi, C
Birmingham, SJ
Brandis, GH
Boyce, SK
Bushby, DC
Cash, MC
Colbeck, R
Cornann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Ferravanti-Wells, C
Fifield, MP
Heffernan, W
Humphries, G
Johnston, D
Joyce, B
Kroger, H (teller)
Macdonald, ID
Madigan, H
Mason, B
McKenzie, B
Nash, F
Parry, S
Ronaldson, M
Ryan, SM
Williams, JR
Xenophon, N

NOES
Arbib, MV
Bilyk, CL
Bishop, TM
Brown, CL
Brown, RJ
Cameron, DN
Senator Collins did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.

The CHAIRMAN: The question now is that schedule 2 stand as printed.

Senator WRIGHT (South Australia) (12:39): The Australian Greens do not support the opposition's amendment. As I pointed out in my speech in the second reading debate, despite initial concerns about the effects of schedule 2 which were raised prior to the inquiry, during the inquiry and with me subsequently, I have now satisfied myself that schedule 2 is not intended to and will not effectively change the previous practice in relation to offsetting. I am satisfied that it will affirm and clarify the existing situation and that it is appropriate that schedule 2 remain in the bill. The Australian Greens are not prepared to jeopardise the passage of the beneficial provisions in schedule 1 of the bill nor the sensible rationalisation provisions in schedule 3 and to hold up consideration of the bill because of concerns that have been raised about schedule 2, having satisfied ourselves that those concerns have been adequately addressed in changes to the explanatory memorandum.

I have been able to come to this view because I have been at pains to consult with and consider the concerns of the RSL and the VVFA and to discuss those concerns in some detail with the government. Although my motives have been somewhat impugned today, I would like to just put on the record that when looking at legislation I am keen to seek the best outcomes possible through consideration of the legislation, consultation and, where possible, collaboration with interested parties. I initiated these discussions both with the organisations that I consulted with and with the government and, having heard those concerns, negotiated to address them to see if an alternative way of addressing the concerns was available. I have acted in good faith.

I cannot answer on what attempts the opposition made to enter into fruitful negotiations with the government about their concerns. I cannot be held responsible for that and the Australian Greens cannot be held responsible for what negotiations were carried out. What I do know is that, having heard the concerns of the RSL and the Vietnam Veterans Federation of Australia, and having had further discussions about those, I was satisfied that the changes to the explanatory memorandum would address those concerns. Although I was not at liberty to necessarily show the explanatory memorandum to the organisations, because that was not within my control, I conveyed to those organisations my view that that was adequate. I felt that I had heard their concerns and that they understood that their concerns had been addressed in the

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**NOES**

Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JI
Lundy, KA
McEwen, A (teller)
Milne, C
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Waters, LJ
Wright, PL

Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
McLucas, J
Moore, CM
Rhiannon, L
Siewert, R
Thistlethwaite, M
Wong, P

**PAIRS**

Abetz, E
Adams, J
Fisher, M
Payne, MA
Scullion, NG

Conroy, SM
Carr, KJ
Evans, C
Polley, H
Ludwig, JW

Senator Collins did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.

The CHAIRMAN: The question now is that schedule 2 stand as printed.
explanatory memorandum, although of course they might not be fully satisfied.

The suggestion that somehow the current situation is enshrined only in legislation is misleading in that there is already an administrative practice and discretion, and I am satisfied that schedule 2 of the bill will not change that situation and that indeed there will be further steps taken as set out in the explanatory memorandum to develop guidelines in consultation with ex-service organisations to direct and guide the decision making of the officials of the Department of Veterans' Affairs so that there will be no effective change to what has been agreed to be an effective, fair and good working system up until now. So the Australian Greens are not able to support the opposition's amendments.

Senator XENOPHON (South Australia) (12:43): I indicate that I for one do not impugn Senator Wright's intentions or motives in relation to this. I just want to make that clear. I am not doing that. I have concerns, though, because the onus is on the government to ensure that these amendments will not have unintended consequences. I commend Senator Wright for her diligence and the genuine nature in which she has approached this particular issue. But I did support the coalition in relation to the last division with respect to progress being reported. In other words: I supported the delaying of this bill until we heard from some of the key stakeholders—in particular, from the RSL. Now, unless the Parliamentary Secretary for Defence, Senator Feeney, is able to provide the chamber with information that the RSL has seen the precise wording of this addendum to the explanatory memorandum and has had a chance to consider the precise wording, I for one am reluctant for this bill to proceed. Given the will of the chamber is that the bill does proceed, I think the appropriate course of action is that the Senate examine forensically schedule 2 and the addendum to the explanatory memorandum, which has a arisen as a result of the diligence and hard work of Senator Wright. But there are still legitimate questions to ask about the potential effects.

Given that the RSL has commented on this previously and that it was a participant to the Senate inquiry into the bill, in which Senator Fawcett, among others, had an active role—I acknowledge Senator Fawcett's service to this nation, given his distinguished background in the Australian Defence Force—the gaping concern to me is that, it is important we find out what the key stakeholders are saying. So, if I may, I ask the parliamentary secretary: since this matter was last raised in committee has there been any sign off, any communication, from the Returned and Services League or other key stakeholder groups, such as the Vietnam Veterans Federation, in relation to the addendum to the explanatory memorandum to this bill?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:46): I cannot really go much further than what I have said before in the debate—that is, that the government, as I am advised, has consulted with ex-service organisations and that they have been apprised of the issues and the principles that are manifest in the addendum. Whether they have seen the actual addendum itself, I am not in a position to advise the Senate. In the event, Senator Xenophon, that you require the stated support of the RSL in order to support this bill, I am not in a position to assist you. Obviously, it is not for me to say what is the position of the RSL or of any of the other ex-service organisations. That is obviously a matter for them. As for the consultation that has taken place with them, I have nothing further to add. Insofar as your
point goes to schedule 2, and the onus being on the government, all I can do is repeat the point made in my second reading speech—that is, these amendments are clarifying and affirming the legislation and will not result in any change to the compensation offsetting practices currently being applied.

Senator XENOPHON (South Australia) (12:48): I am grateful to Senator Feeney for his response on behalf the government, but something is missing here. Is it not within the wherewithal of Senator Feeney, representing the government, to advise whether the addendum to the explanatory memorandum was actually shown to the RSL? I do not think it is an unreasonable question. If the RSL has been shown it, and has not said anything about it, that might, if it does not solve the problem, go some considerable way to resolving this issue. If the RSL is acquiescent, if it is comfortable, about this addendum to the explanatory memorandum, it would reassure me about this issue. Is it not possible to establish whether the RSL has been shown a copy of the addendum to the explanatory memorandum that was filed this morning?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:49): I repeat what I said: I cannot give you satisfaction on these points.

Senator Xenophon: There's a Rolling Stones song about that.

Senator FEENEY: Indeed. While I can confirm that there have been discussions, and that the RSL and others have been apprised of the issues that are dealt with in the addendum, I cannot attest to whether they have seen the addendum or to whether they support it or its contents. I am not in a position to assist you on this point. I repeat that, if you are seeking their consent before you support this bill, I am unable to help your decision-making process.

Senator XENOPHON (South Australia) (12:50): There was a Rolling Stones song, Mr Chairman, about not being able to get any satisfaction, and it was alluded to by Senator Feeney. There is another Rolling Stones song that goes along the lines of: you can't always get what you want, but sometimes you might just get what you need. I know Senator Feeney is a big Rolling Stones fan—I can just tell. He is a Jaggerite; a Mick Jagger acolyte. All I want is to establish whether this particular addendum has been shown to the RSL. Given the RSL’s involvement in this, does Senator Feeney concede it is quite reasonable for the RSL to be shown this addendum to the explanatory memorandum, which arose out of some considerable negotiations between Senator Wright's office, on behalf of the Greens, and the government? Again I commend Senator Wright for the work she has done on this. It is not a difficult issue. I just want to get what I need.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:51): I do not think I can give you what you need, Senator Xenophon. You are asking me to describe, and essentially to give undertakings to the Senate about, a consultation process that I have not been a party to and that I cannot describe in any terms other than those I have described it in. I am not able to report to you or to the Senate about the RSL's views on this addendum. It is as simple as that.

Senator Xenophon: Can Senator Feeney advise whether it is within the knowledge of the department or whether it is within the knowledge of the minister's office that this addendum to the explanatory memorandum has been forwarded to the RSL? Is that something that would be within the knowledge of the department or the minister's office?
Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:52): This is a topical question. Until I have an answer, I cannot assist. The best advice I have at the moment—I will clarify this as quickly as I am able—is that the RSL have certainly been consulted on the issues which have given rise to the addendum. As to whether or not they have seen the addendum, I simply do not know.

Senator XENOPHON (South Australia) (12:52): I appreciate Senator Feeney is trying to be as helpful as possible in the circumstances, but in terms of general protocols, would it be within the knowledge of the minister's office or the department as to whether they have provided a copy of the addendum to the explanatory memorandum to the RSL?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:53): As soon as I have an answer to that I will share it with you.

Senator RONALDSON (Victoria) (12:53): You are here on behalf of the government, Senator Feeney. You are also the Parliamentary Secretary for Defence. We have been debating this since 10 o'clock this morning. Do not tell me, when you have got one of the minister's advisers sitting beside you, that you cannot give this chamber an answer to a very simple question. Were they provided with it or not? How does it take three hours to ascertain whether the RSL has been given a copy of this? The longer you drag this out, the more obvious I think the response is. If they have not, just say, 'No, they have not been' and then I will make the comment that they should have been—which I am sure you will not. Have they or have they not been shown this for comment? It is a very, very simple question. Senator Xenophon and I want to know the answer.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:54): I am not sure there was a question in Senator Ronaldson's contribution. As always, I take his words of wisdom with a true heart.

Senator FAWCETT (South Australia) (12:54): I draw the Senate's attention to the evidence given by the RSL during the inquiry around the issue of consultation. The minister had made comment that there was wide consultation. Does the senator believe that consultation is required? Rear Admiral Doolan said:

The point we made earlier on was that the first we knew of this was when the legislation was brought forward. When we became aware of the legislation, we were on a short timescale to provide input to this Senate committee, which we did.

It became apparent that it was a prebudget eve briefing that they had received on the information. When we brought this up with DVA and asked, 'Did you consult?' one of the officials responded:

As the RSL have said, we regularly provide a prebudget briefing, and that is on the day of the budget. In that briefing we explained a whole range of measures coming through in the budget, including offsetting, and explained that the intention of the amendment … But it is true that there was no extensive prebudget consultation about the amendment itself.

So they clearly said that there was no extensive prebudget consultation, which puts lie to the claim that there has been widespread consultation. My question is: do you support the need to consult with key stakeholders in this whole process?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:56): I thank the senator for his question. Yes, Senator, I hope you will have noted that in one of my earlier contributions I did touch upon the fact that the Department of
Veterans' Affairs has been engaged in consultation with ex-service organisations and that is obviously something that is of great importance and of great continuing importance. I think it is fair to say that in every interaction I have ever had with Veterans' Affairs, whether through the estimates process or through debate in this place, the importance of those service organisations and the perspectives they bring are acknowledged and understood by all.

What I cannot do is get up in this place and assert the opinions of the RSL; that is for them to assert. I am not able to comment on their level of support for the actions of this government. That is something that only they can properly do. I am I think properly constrained in terms of speaking for another organisation. The RSL will announce in public what they do or do not think about matters as they arise.

Senator FAWCETT (South Australia) (12:57): The question was not at all to ask you to comment on the RSL; that is for them to assert. I am not able to comment on their level of support for the actions of this government. That is something that only they can properly do. I am I think properly constrained in terms of speaking for another organisation. The RSL will announce in public what they do or do not think about matters as they arise.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:58): I thank the senator for his question. I do believe in the importance of consultation. The question we are considering of course is the passage of legislation through this place. That is the question before us. That is the question where the government has a view. I now invite the senator to turn his mind to that issue.

Senator RONALDSON (Victoria) (12:58): I have just been advised by the Vietnam Veterans Federation that they have not seen the changes to the explanatory memorandum resulting from their concerns. They understand that the Greens had negotiated some amendments, but they had not seen them. Senator Wright, I was reflecting on the fact that you had been given these changes—not you personally. The fact remains that you were shown amendments to the EM by the government to ensure your support for schedule 2, knowing that the government did not have the support of the opposition in relation to schedule 2 because of the concerns of the ex-service community. You ultimately, Senator Wright, will need to make a decision in about two minutes time as to whether you think it is appropriate for one political party to negotiate the terms of an explanatory memorandum when the ex-service organisations, who have expressed a real concern about this, have indicated in a Senate inquiry that there has not been appropriate consultation. You will have an opportunity to say whether you think that is acceptable.

This is not a reflection on you at all, Senator Wright, but it is most certainly a reflection on your party. Following all the talk from the Australian Greens about consultation and doing the right thing, about making sure the process is right, here is an opportunity for them to prove that this was
not a political stitch-up between the government and the Greens in relation to this change in the addendum to the explanatory memorandum. Here is the opportunity for her to say that they actually do agree with due process. Here is the opportunity for her, in about two minutes time, to say that they are not prepared to let this go through until they have canvassed appropriately and properly the views of the ex-service organisations and only then will they support the three schedules; only then will they support schedule 2.

I direct this to the parliamentary secretary as well as to Senator Wright: having had confirmation that the Vietnam Veterans Federation has not seen the changes, how can this chamber possibly countenance this matter being dealt with now? How can we possibly countenance completely ignoring the views of organisations who have been participants in this process? How can the Australian Greens support such an abuse of process by forcing this legislation to be dealt with before we get the views of those ex-service organisations? How can the Australian Greens support this matter to be dealt with today before proper consultation has been carried out. These are not some mickey mouse groups that have sprung up after a good spring rain. This is the RSL, this is Legacy, this is the Vietnam Veterans Federation. Surely to goodness they deserve the respect of this chamber enough to be consulted on this matter. I move:

That the committee report progress and ask leave to sit again.

Question put.

The committee divided. [13.11]

(The Chairman—Senator Parry)

Ayes ......................31
Noes ......................35
Majority ...................4

AYES

Abetz, E Back, CJ
Bernardi, C Birmingham, SJ
Boswell, RLD Boyce, SK
Brandis, GH Bushby, DC (teller)
Cash, MC Colbeck, R
Cormann, M Edwards, S
Eggleston, A Fifield, MP
Fierravanti-Wells, C Fawcett, DJ
Heffernan, W Humphries, G
Johnston, D Joyce, B
Kroger, H Macdonald, ID
Madigan, JJ Mason, B
McKenzie, B Nash, F
Parry, S Ronaldson, M
Ryan, SM Williams, JR
Xenophon, N

Xenophon, N
Senator Wong did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.

The CHAIRMAN: The question now is that schedule 2 stand as printed.

Senator XENOPHON (South Australia) (13:11): I will reflect firstly on Senator Ronaldson's references to Senator Wright's involvement in this matter. I have a slightly different perspective. I do not think it is incumbent upon Senator Wright to enter into widespread consultation with key groups; I think the primary responsibility for that rests with the government. That is what I think is fair. I acknowledge Senator Wright's hard work on this and I acknowledge the spirit in which she undertook those negotiations. From my perspective, it is fair to say that it is the government's obligation to consult with the key stakeholders, not necessarily that of Senator Wright or the Greens. So I have a slightly different perspective on that.

But I do agree wholeheartedly with Senator Ronaldson, who has become my spokesperson on this particular issue—maybe more broadly; we will wait and see—that it is unwise and unsafe to proceed further in the absence of hearing from the RSL, from the Vietnam Veterans Federation, from Legacy and from other key stakeholders who participated fully in the Senate inquiry and who have a longstanding interest in this. I understand, however, that it is the will of the chamber to proceed to deal with these matters now. It is therefore incumbent upon me to ask the parliamentary secretary, Senator Feeney, a number of specific questions relating to the explanatory memorandum.

I note that the explanatory memorandum starts off by saying that the proposed amendments will not change the current operation of the compensation offsetting provisions. My first question is: to what extent will these amendments change current arrangements at all if they do not change the compensation offsetting provisions? Is it the case that, whilst they will not strictly change the current compensation offsetting provisions, they may change the way in which matters are dealt with in terms of compensation offsetting? It is a technical question but, given that so much of this will turn on technical issues, it is only the first of a number of such questions I have with respect to the explanatory memorandum.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:14): Firstly, I now have some advice of a more specific nature concerning the consultation process which has taken place.

Senator Xenophon: I'm listening.

Senator FEENEY: Excellent. Perhaps we will get you some satisfaction, Senator.
Perhaps Senator Ronaldson's days as your spokesperson are numbered. I understand that the RSL and the Vietnam Veterans Federation of Australia have seen all parts of the addendum with the exception of the final paragraph—that is, the paragraph beginning 'The Repatriation Commission'. I can advise the Senate that the discussions with VVFA and DVA on concerns about double dipping have occurred, that there have been discussions between the Department of Veterans' Affairs and the operational working party, which is comprised of ex-service organisations, on the text of the explanatory memorandum. There has been a discussion between the minister's office, the RSL and the VVFA about the explanatory memorandum. Further, I am advised that John Hodges of the RSL has indicated he is broadly supportive and I note again that the explanatory memorandum does not change anything—that it spells out the current operations and sets out the fact that there will be further consultations.

Senator Xenophon interjecting—

Senator FEENEY: I understand both are true. These amendments result in no change. They are clarifying and affirming only and no disability pension will be affected.

Senator XENOPHON (South Australia) (13:17): I am perplexed. We are debating amendments which the government has just said will result in no change. If we are debating amendments which will result in no change, why then have the amendments put in the first place? To be fair to Senator Feeney, he has said that they will result in clarifying the current provisions. I think that is the summary of what Senator Feeney has outlined. I am grateful to Senator Feeney for finally responding—that is, for the government finally being able to respond; it was not Senator Feeney's fault—to the issue I raised with Senator Ronaldson. If these amendments will result in no change, as we have just heard, to what extent will they result in clarifying the established compensation offsetting practices and, to the extent that they do clarify the offsetting practices, does the clarification in itself result in some change in the way the current provisions are being dealt with?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:18): We are obviously talking about the second measure, clarifying and affirming the original intention of the compensation offsetting policy. You ask the question: if these amendments do not change anything, why are we doing this? I guess the answer to that question is that these amendments are in response to a decision of the full Federal Court in Commonwealth of Australia v Smith, which decision highlights the need to clarify and affirm these aspects of the legislation. That is what we are doing.

Senator RONALDSON (Victoria) (13:19): Can the parliamentary secretary please say that there is absolutely no dispute about the government's position? The parliamentary secretary is saying that the RSL has been provided with a copy of the addendum. Is that right?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:19): With the exception of that final paragraph.

Senator RONALDSON (Victoria) (13:19): And you are absolutely sure about that, Parliamentary Secretary?

Senator Feeney: That is the advice I have.

Senator RONALDSON: Even if you are right, and my understanding is that you are wrong—that is certainly my advice—when were they provided with the last paragraph? Were Legacy and the VVFA part of that?
am happy for the parliamentary secretary to get some advice.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:21): I am advised that the RSL saw this document without that final paragraph on 29 August. I am advised that the RSL has seen the whole of it today for the first time, including that final paragraph. Further, I am advised that the final paragraph was inserted on Friday as a consequence of discussions between the government and the Greens.

Senator RONALDSON (Victoria) (13:22): Parliamentary Secretary, you say that the RSL was provided with a copy of this addendum, bar the last paragraph.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:22): Yes. My advice is that they were shown a copy on 29 August by way of their participation in the operational working group.

Senator RONALDSON (Victoria) (13:22): They were not provided with a copy?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:22): No, I believe they were not.

Senator RONALDSON (Victoria) (13:22): The Vietnam Veterans Federation?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:22): Except insofar as they participated in that operational working group, they were separately provided a copy last week. They are in the same situation: they have not seen that final paragraph.

Senator RONALDSON (Victoria) (13:23): How was the Vietnam Veterans Federation provided with a copy?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:23): From the minister's office.

Senator RONALDSON (Victoria) (13:23): Were they emailed that? Were they faxed a copy? How was it delivered?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:23): By email.

Senator RONALDSON (Victoria) (13:23): And to whom?

The TEMPORARY CHAIRMAN (Senator Ludlam): Senators, if we could just take the questions and answers in sequence; otherwise, your mikes will not be live and you will not be recorded.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:23): I understand it was sent by email to Mr Graham Walker.

Senator RONALDSON (Victoria) (13:23): Were the discussions between the Greens and the government on the back of discussions that you or anyone else had with the RSL?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:24): It is my understanding that, as a result of the committee and its recommendation that additional points be made in the EM, there were discussions with the Greens and ex-service organisations in order to realise that committee recommendation.

Senator RONALDSON (Victoria) (13:24): But you are telling the Senate today that, by late this morning, the only people who had seen this document in its entirety were the Greens; is that correct?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:25): Yes, that is correct.

Senator RONALDSON (Victoria) (13:25): Do you want to clarify something?
(13:25): Earlier I said it was 29 August. I would like to note for the record that I should have in fact said 26 August.

Senator RONALDSON (Victoria) (13:25): In what format was that? Where was it?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:25): That was a meeting of the operational working group and that was where the RSL had an opportunity to sight the addendum—without, I remind you, that final paragraph.

Senator RONALDSON (Victoria) (13:25): Has the RSL, the Vietnam Veterans Federation or Legacy responded to you formally today in relation to the addendum in its entirety?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:26): We have not received any formal communication from those bodies.

Senator RONALDSON (Victoria) (13:26): If indeed they were opposed to the addendum in that it did not satisfy their requirements, would you be proceeding in any event in relation to schedule 2 of this bill?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:26): It is not our custom to answer hypothetical questions. We are talking here about a very specific issue and, indeed, one of great importance to many deserved folk. This is legislation that the government is pursuing, and it is pursuing it on the basis that it is good legislation, that it is required in the aftermath of the Smith decision, that it realises government policy which the government has been clearly expounding upon through the budget process, the budget and subsequently. Lastly, we are mindful of the fact that we are making changes here that we believe have the broad support of ex-service organisations.

Senator RONALDSON (Victoria) (13:27): Parliamentary Secretary, having said that you have shown the RSL a copy—and I want to place on the public record that the RSL were shown a copy—were they provided with a copy or was a copy circulated around the room on 26 August?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:27): I think my words have properly conveyed what transpired. The operational working group was afforded an opportunity to sight the addendum, and that is the extent of it.

Senator RONALDSON (Victoria) (13:28): Were they advised that it was a draft or were they advised that it was a final document?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:28): My advice is that they were advised that it was a final version.

Senator RONALDSON (Victoria) (13:28): You are absolutely sure about that?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:28): I think it would be prudent for me to take that on notice. I have provided you only with the best information I have to hand.

Senator RONALDSON (Victoria) (13:28): I think it would be very, very prudent to take that on notice. I would not think this bill would come back until well after question time. Unless the government is going to gag me, I will be here at 10 seconds to two. I assure the parliamentary secretary that, until we find out what the views of the RSL, the Vietnam Veterans Federation and Legacy are, as is only appropriate, we will continue debating this matter. I will be very
careful about the way I put this: I am taking the parliamentary secretary at face value because I acknowledge that the parliamentary secretary does not have personal knowledge of this matter and the parliamentary secretary has taken advice from departmental and ministerial staff on this matter. If it is incorrect, I will hold him to account only to the extent that he was providing the chamber with information he had been provided with. But he will not be surprised to know that I will be very deeply concerned if the advice that has been given today is incorrect. If, indeed, it is correct that the document was passed around the table on 26 August, was there a consultation process put in place for that circulated document?

 Senator Feeney: Could you repeat the question.

 Senator RONALDSON: What consultation process was put in place following the circulation of that document at the meeting on 26 August?

 Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:31): I understand that, besides the discussion that occurred at the operational working group and the opportunity the RSL had on that occasion to sight the addendum, there has been no formal consultation process around the addendum.

 Senator RONALDSON (Victoria) (13:32): I am seeking clarification of the matters that have been raised by the parliamentary secretary. Given that, allegedly, this document was circulated but the participants were not provided with a copy—I think we have agreed on that—at a meeting, how many people were at that meeting and what length of time did they have to read the document?

 Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:33): I am going to have to take that question on notice. I do not have the minutes of that meeting to hand.

 Senator RONALDSON (Victoria) (13:33): On what basis were those peak organisations not provided with the amended addendum to the explanatory memorandum?

 Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:33): As I indicated, the RSL was provided with one today. The final paragraph was not designed and inserted until Friday.

 Senator RONALDSON (Victoria) (13:34): I take it that, had this matter not been pursued by me, Senator Xenophon, Senator Fawcett and others, they would not have been aware of this until this bill had become a fait accompli in effect?

 Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:34): There is barely a question in that rhetoric. If I understand it, yes, you are right, they did not see a complete copy of the addendum until it was shown to the RSL today and became a matter for debate in this chamber this afternoon.

 Senator RONALDSON (Victoria) (13:34): At what time was it provided with a full copy?

 Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:35): I am going to need a little bit of time to get forensic about that, but I understand it was at approximately 12 noon today.

 Senator RONALDSON (Victoria) (13:35): We are now really getting down to brass tacks with this. What you are saying is that a group which had been actively involved in this matter was actually not going to be provided with a copy of this until it was raised in this chamber. You were working on the basis, were you not, that this bill would be dealt with by the Senate today.
and the RSL would be provided with a full copy of the addendum after the event? Parliamentary Secretary, do you believe that is an appropriate course of action on behalf of the government?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:35): Senator, your histrionics and your rhetoric are simply about your delaying this debate rather than grappling with it. You might put forward the contention, if you will, that our consultation process has been inadequate—that is a matter for you and I am sure you will enliven that point to the best of your abilities—but the government's position on this is very clear and it is very simple. Arising from a decision of a full bench of the Federal Court, we were required to do the responsible and sensible thing and make amendments to this legislation so that the legislation is clear and effective. The amendments clarify and affirm the legislation. They will not result in any change to the compensation-offsetting practices currently being applied. We have prepared an addendum and we have done that in response to the Senate committee, to our discussions with the Greens party and to discussions with others. As for the forensic detail, emails and so forth, I have provided you with the very best information that I have to hand. The fundamental point remains the same—these are not mighty changes. They are not going to result in the current practices changing. They are not going to result in a diminution of entitlements.

Senator RONALDSON (Victoria) (13:37): I am glad you believe that commentary about appropriate consultation is histrionics. I can give you some histrionics if you want it but I put this to you: is it histrionics to question the government about its consultation processes? Is it histrionics to say that it is inappropriate for one minor political party, which just happens to be your government partner, to get information that is not provided to ex-service organisations? As I said to you before, these are not groups that spring up after a good spring rain. These are the peak bodies in this country. Are you telling the chamber that it is histrionics to demand why any political party has an arrangement and a scenario of consultation when those groups that are actively and intimately involved in this process do not? If that is the government's definition of histrionics then, quite frankly, heaven help us.

The simple fact is that we have been advised today that the RSL was given a copy of this document only after this debate started and after the government had been caught out in relation to the lack of consultation. That is not histrionics. The simple fact is that if it had not been raised today this matter would have gone through without the RSL having had any input into it whatsoever; it would have been a fait accompli. The Vietnam Veterans Federation would not have had any input into it; it would have become a fait accompli. Legacy would not have had any input into it; it would have become a fait accompli. If that is the way that you want to carry out your consultation process, that is fine. If the Greens think that is an appropriate consultation process, that is fine. But everyone be on notice: what the Greens say and what the Greens do are often two entirely different matters.
The Greens were given the opportunity today to say, 'For the sake of three or four hours, we are going to clarify this situation and clarify whether those peak bodies are supportive of this addendum.' Then petty politics entered into this debate. You are not prepared for the sake of four or five hours to concede a bit of ground on this matter. You are driven by petty pride for a very simple matter. There is no reason why this chamber could not have dealt with this matter later today or in the morning—no reason at all. But petty pride means that the government and the Greens are not prepared to accept that the right thing should be done in this case. I am absolutely staggered that the Greens have been prepared to compromise themselves to this extent by not acknowledging that three or four hours can get some serious clarification. I am utterly amazed, given the need for the government and the department to maintain close working relationships with these ESOs, that they also have not been prepared for the sake of three or four hours to do so. If that is histrionics, you have got it.

I ask the parliamentary secretary: in the last paragraph, which, of course, has not been circulated to anyone other than the Greens and now the chamber today, when will the Repatriation Commission be issuing appropriate policy guidance, and has that been drafted yet?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:42): That has not been drafted. The materials are under development.

Senator WRIGHT (South Australia) (13:42): I put on the record again my understanding that the very reason the last paragraph in the explanatory memorandum was inserted was after I made an assiduous effort to consult with both the RSL and the VVFA to clarify their concerns. I took those concerns to the government as they concerned me as well, particularly in relation to the degree of discretion that was potentially available to the Repatriation Commission and decision makers in the Department of Veterans' Affairs in implementing the scheme that would be in effect once the amendments were passed. My understanding after quite a degree of discussion was that there have always been administrative arrangements in place; that there was no intention as a result of the amendments to change those administrative arrangements; that they had worked and had operated effectively over quite a significant period of time and that no complaints had been received from the veterans community about those administrative arrangements. But, to ameliorate the concerns that I had, which were directly being passed on because of my consultation with the RSL and the VVFA, there was an agreement to add a further paragraph in the explanatory memorandum to clarify that there would be specific guidelines drafted to ensure the situation did not change and that there would be consultation with the ex-service organisations to allow input into those guidelines to again assuage their concerns.

Rather than, as has been suggested, some mucky deal being done where the concerns of two significant veterans associations, the RSL and the Vietnam Veterans Federation of Australia, are ignored or undermined, in fact it is the opposite. Late on Friday I was still relaying to the government my concern about unintended consequences of the amendments if they were to pass. I then in full transparency contacted those organisations and spoke to members of those organisations and conveyed to them my view that the changes to the explanatory memorandum would satisfy their concerns and it satisfied my concerns that the ultimate effect of passing these amendments,
particularly schedule 2, would not have unintended consequences that would make the lot of veterans worse given that the assurance all the way through has been that that would not be the case.

Having given a lot of consideration to this matter, the Greens were of the view that, rather than waste the valuable time of the chamber, where there are beneficial provisions that presumably some veterans are waiting to take effect, the prisoner of war recognition provisions and other sensible provisions that would allow a sensible rationalisation of two very similar allowances, rather than holding those up unnecessarily and having satisfied myself that I had been open and thoughtful and considerate of the concerns of the VVFA and the RSL, I formed the view that it was appropriate to support the bill. That is why the Greens have taken the position that we have taken.

Senator RONALDSON (Victoria) (13:46): With the greatest respect to Senator Wright, this is actually not about whether she has or has not satisfied herself in relation to this matter. I am sure an enormous amount of due diligence has gone into this. I am not aware that Senator Wright is an expert in this field but she may well be and if she is then I apologise. But it is not actually a matter of Senator Wright satisfying herself; it is about Senator Wright and the Greens and the government satisfying themselves that indeed proper process has been followed. That is what it is all about, not whether Senator Wright has satisfied herself in relation to this. Senator Wright could have satisfied herself in relation to this by actually telling those organisations what was in this addendum to the explanatory memorandum and asking them. If they had said to her on the back of her going to them with the words from this addendum, 'I am satisfied with it,' then Senator Wright would be quite entitled to make the comments that she has. She actually would have tested her views in relation to this against the addendum. But she has not tested those views against the addendum. She has tested her views in relation to her interpretation, not on the back of what the peak bodies were saying about it. So, with the greatest respect, that is not sufficient investigative work.

The parliamentary secretary told me before that the work had started on these policies. What stage are they at? When did that commence and when will they be ready for ex-service organisation consultation?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:48): Already policy advice is available. This advice is in plain-speaking language, which is easier for departmental staff and veterans and their advocates to understand. The policy has been available broadly speaking for a long time. While I am on my feet, I might also read into the transcript an email that has only just been received, at least by me. It is to Mr Ross Bain, who is the chief of staff to the Minister for Veterans' Affairs, and it is from Mr John Hodges. It reads:

Dear Ross

The RSL continues to oppose schedule 2 of this bill. However, if the Senate sees fit to pass this bill, the RSL would be comfortable with the amendment of the explanatory memorandum.

Kind regards

John M. Hodges
National Veterans Affairs Adviser
Returned Services League

Senator RONALDSON (Victoria) (13:49): Exactly. So we have spent the last three hours trying to ascertain what the views were of the ex-service organisations who have been involved in this process. Why was this not done beforehand? I am not suggesting for one minute that what has been
given to Mr Bain, what you have read out, is not correct. But I want to consult with the RSL and the Vietnam Veterans Federation over question time and taking note and whatever time is there, and indeed if their position is that they are happy to let this go through then it will go through. But why was not this done at 10 past 10 this morning? Why have we gone through this charade trying to ascertain the views of these ex-service organisations, the charade of not knowing whether people had or had not been given documents, the charade about whether people had or had not been consulted. Three hours we have spent on this when we should have at an early stage had the sort of advice we are now starting to get through a drip feed.

I want to take up the parliamentary secretary's comment in relation to the policy guidance. I take it from what you have said that the Repatriation Commission has the view that they already have appropriate policy guidance in place to meet the requirements of the recently added but not distributed addendum to the EM.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:52): My advice is that there is already guidance, that clearer and more comprehensive policy and procedure guidance is being developed and that that work has only just commenced.

Senator RONALDSON (Victoria) (13:52): In response to my question about the policy guidance, Parliamentary Secretary, you said that that work was already underway. You then said that that work has been done for some time. My question related specifically to the added but not distributed addendum to the explanatory memorandum. I suppose I am either entitled to say, 'Well, yes, it has been, and it has been there for some time,' or 'The work has just started.' Which one is it? Has it been there for some time and therefore, if it has, that is what the department will be relying on? Or has it started in the last three hours? You cannot have it both ways, Parliamentary Secretary. Either the work has already been done and you are going to rely on it—shake your head as you may, I am only quoting your words. I am just quoting your words, old boy, and the simple fact is that you said it had been underway for some time and they were already there. You are now telling me they have just started it. Given that, according to your comrade in arms from the Greens, she was still negotiating with the government late on Friday afternoon, have they started that work since nine o'clock this morning? Is that what you are telling us? Or, indeed, has all this work been done? Was that just put in to satisfy a few whims, according to you—and, indeed, the consultation will not be required because the decisions have already been made? If it is there and has been there for some time, why do we need this particular piece of legislation?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:54): It is a merciful thing for the taxpayers of this country that you are not paid by the word, Senator. It is also, I think, worth noting that after your extraordinary performance denouncing how long this process has taken you might very well reflect on the quality of your questions and the fact that you have managed to call two completely pointless divisions during these proceedings. Two things, very simply: longstanding policy is on the web, and work relating to the addendum has only just commenced.

Senator RONALDSON (Victoria) (13:55): The Parliamentary Secretary for Defence has just said—
A government senator: That's the one!

Senator RONALDSON: Gee, you're on the ball today, aren't you, old fellow? You're right on the mark. You picked that up straight away. The parliamentary secretary has just indicated to us that we had two wasted divisions today while we ascertained what the advice from the ex-service organisations was. Guess what? One of those divisions occurred before you gave the RSL the document you are talking about, so that was a waste, was it? Consultation was a waste—when it was done before you sent them the material, sent them the addendum? That was a waste, was it? I am glad you think that consultation is a waste! I am glad you think that the RSL and the Vietnam veterans federation and Legacy are also a waste, because that is implicit in your comment! That is what you are saying. We wasted time this morning while you ascertained two very simple things. The first one was whether the RSL and the Vietnam veterans federation had been consulted. The second one was what their response was. And we got their response 15 minutes ago, which actually postdated the other of the divisions that you are talking about.

Please do not come in here and effectively reflect on the bona fides of those ex-service organisations. If you cannot get your act together, if you rely on the Australian Greens, your partners in crime, to carry you, you will come unstuck every single time. Every single time, they will bring you unstuck, because what they say and what they do are two entirely different matters.

Parliamentary Secretary, I am looking forward to our discussing this again later this afternoon, and I am looking forward to your providing me with the information this chamber should have been given at 10 o'clock this morning—that is, what was the level of consultation, who was it with and what was the outcome of those deliberations? I said to you at 10 past 10 this morning and I gave you an undertaking at least two hours ago that, if you satisfy this chamber that you have had the consultations and you can satisfy the chamber—if you are telling this chamber—that the people whom you are asking to sign up to this and to whom you had not given the benefit of the document are supportive, we will support this measure. Do not talk about wasting divisions. Do not talk about abuse of due process. Do not rely on the Australian Greens to do your job for you. Get out and consult. Do what you should be doing. Deal with the RSL and Legacy and the Vietnam veterans federation in the manner in which they would expect to be dealt with; they deserve absolutely no less. If the President is here, I will sit down. I presume we are now holding this matter over, Mr Temporary Chairman.

Progress reported.

MINISTERIAL ARRANGEMENTS

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (13:59): I table for the information of the Senate a revised ministry list. The list has been updated to reflect the appointment of the Hon. Mark Butler MP as Minister Assisting the Prime Minister on Mental Health Reform. I seek leave to have the document incorporated into Hansard.

Leave granted.

The document read as follows—
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<tr>
<th>Title</th>
<th>Minister</th>
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<td>Prime Minister</td>
<td>The Hon Julia Gillard</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>The Hon Simon Crean</td>
<td>Senator the Hon Nick Sherry</td>
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<td>The Hon Simon Crean</td>
<td>Senator the Hon Mark Arbib</td>
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<td>The Hon Tanya Plibersek</td>
<td>Senator the Hon Mark Arbib</td>
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<td>Senator the Hon Joe Ludwig</td>
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<td>Senator the Hon Mark Arbib</td>
<td>The Hon Kate Ellis MP</td>
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<td>Special Minister of State for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO</td>
<td>Senator the Hon Penny Wong</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Kate Lundy</td>
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<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan</td>
<td>Senator the Hon Penny Wong</td>
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<td>Assistant Treasurer</td>
<td>The Hon Bill Shorten</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for Financial Services and Superannuation</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon David Bradbury</td>
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<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations</td>
<td>Senator the Hon Chris Evans</td>
<td>The Hon Simon Crean MP</td>
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<td>(Leader of the Government in the Senate)</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Veterans’ Affairs in the Defence portfolio and a Department of Regional Australia, Regional Development and Local Government in the Prime Minister’s portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
QUESTIONS WITHOUT NOTICE

Future Fund

Senator CORMANN (Western Australia) (14:00): My question is to the Minister for Finance and Deregulation, Senator Wong. Given that finance department secretary, David Tune, confirmed that government revenue in 2012-13 includes revenue from the expected sale of Future Fund assets, can the minister advise the Senate how much of the $4.937 billion in estimated proceeds from the sale of non-financial assets in 2012-13 is expected to come from the sale of assets from the Future Fund?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:00): I am extremely pleased to take that question from Senator Cormann because it gives me an opportunity to explain to the chamber just how wrong he is and to invite him to correct the record, given that he has been out on the radio and on television making assertions which are simply untrue. Senator Cormann has asserted in relation to the Future Fund that the government is raiding the Future Fund—that the government is withdrawing funds from the Future Fund. He is wrong. He is utterly and completely wrong, and he ought to know better.

Senator Cormann: Mr President, a point of order on the requirement under the standing orders for the minister to be directly relevant to the question: there was a very specific question and the answer is a number. The secretary of the finance department has confirmed that the revenue in 2012-13 will include revenue from the sale of assets from the Future Fund. The question is: how much of that $4.937 billion will come from proceeds from the sale of Future Fund assets? It is a number; there was no political rhetoric in the question. All we have been getting from the minister is political rhetoric, yet again.

Senator Chris Evans: Mr President, on the point of order: not only is the minister directly relevant but she is directly answering the claims made by Senator Cormann both in his question and in the media today. Quite frankly, to waste minutes of question time taking points of order which then go to a long explanation of his argument is clearly a waste of the Senate's time. Clearly, there is no point of order.

The PRESIDENT: There is no point of order. I believe the minister is answering the question. The minister has one minute and 13 seconds remaining to continue the answer.

Senator WONG: Thank you, Mr President. I again say the government is not making withdrawals from the Future Fund. What is occurring is the Future Fund is making a change to the type of assets it holds. The timing of the sale of assets is a matter for the Future Fund, and what the budget papers reflect is the assets the Future Fund plans to hold going forward. This is an important point.

The next point I wish to make—and I have put a press release out, which I assume Senator Cormann has read, but I will again say it in the chamber and perhaps he will understand it this time—is that any funds raised from the sale of non-financial assets will be kept by the fund, not by government. In other words, governments cannot spend these funds. In fact, were the government to spend these funds out of the Future Fund, under the terms of the legislation which established the Future Fund we would have to change that legislation. The government has no plans and no intention to do so. I am very happy to have a discussion about federal finances. It is a pity the opposition are so busy throwing things at the government that they cannot even look at their $70 billion black hole.
Senator CORMANN (Western Australia) (14:04): Mr President, I ask a supplementary question. Given that the minister has refused to advise the Senate of how much the government expects to raise from the sale of assets from the Future Fund, can the minister confirm that the expected proceeds from the sale of assets from the Future Fund are included in the government’s estimated underlying cash balance of $3.5 billion for 2012-13, as published in the government’s budget papers? If so, why, and has that ever happened before?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:05): It is normal for the sale and purchase of non-financial assets held by the government or a particular government entity to be reflected in the budget papers. That was the case under Mr Costello and Senator Minchin and it is the case under our government. But the political point that Senator Cormann is making is some assertion around the budget surplus and around the timing of the sale of assets from the Future Fund. I again say that the timing of the sale of assets held by the fund is a matter for the fund. I make this point: in our last budget we put forward $22 billion worth of savings, some of which you previously opposed and then supported. The budget is made up of the sum of many—(Time expired)

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (14:08): My question is to the Minister representing the Prime Minister, Senator Evans. Will the government ensure that the letter and spirit of the refugee convention and of the Convention on the Rights of the Child are upheld in any future legislation to be presented to this parliament?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:08): I can assure the senator that the government is absolutely committed to honouring its international obligations and they include those obligations under the refugee convention and also those under the rights of the child convention—I was going to say ‘CROC’ but it always sounds terrible: ‘under CROC’, the Convention on the Rights
of the Child. So the government does remain
committed to those. But the government also
remains committed to addressing the scourge
of people smuggling and taking positive
action to try to undermine the business
model that sees many people risk their lives
in seeking refuge in Australia. Australia
remains on a per capita basis, I think, the
largest contributor to the settlement of
refugees in the world. Not only do we take
our obligation to uphold the convention and
meeting the obligation of helping resettle
people very seriously; Australia has, under
governments of both persuasions, a very
proud record in terms of resettlement of
those found to be refugees. Senator, you
point to two issues that are part of the current
debate about how we respond to the
challenge of people smuggling and respond
to the recent High Court decision. The
government is aware of its obligations under
both that convention and the Convention on
the Rights of the Child and will be honouring
those and seeking to find policy solutions
that continue to reflect our strong com-
mitment to those international obligations
and to enact a regional response that best
attacks the scourge of people smuggling.

Senator HANSON-YOUNG (South
Australia) (14:10): Mr President, I ask a
supplementary question. Is the government
aware of the opinion poll today that shows
54 per cent—a majority—of Australians
support onshore assessment of refugees?

Honourable senators interjecting—

The PRESIDENT: Order! I am waiting
to give Senator Hanson-Young the right to
have her question heard in silence.

Senator HANSON-YOUNG: Can the
government explain this poll and why does
the government continue to ignore public
opinion?

Senator CHRIS EVANS (Western
Australia—Minister for Tertiary Education,
Skills, Jobs and Workplace Relations and
Leader of the Government in the Senate)
(14:11): Can I indicate that I have also seen
polls that show most Australians believe that
the Martians have landed on the Earth at
some stage. One has got to be careful about
what polls one reads and what conclusions
one draws from them.

Senator Joyce interjecting—

Senator CHRIS EVANS: Senator Joyce,
there has been a suggestion that you might
represent the progeny of that landing; there
has been a suggestion to that effect but , of
course, I could not possibly comment.

Honourable senators interjecting—

The PRESIDENT: Order! Senator
Evans, wait a moment and then I will give
you the call. When there is silence on both
sides we will proceed.

Senator CHRIS EVANS: The serious
point to make is that there are a multitude of
opinion surveys, polls, which generally
reflect the views of those who have sought to
commission them, in my experience. But, no,
the government will not be determining its
policy position based on this or any other
polls. That is not the appropriate way of
governing. This government will continue to
pursue evidence based good public policy
and we will make our decisions based on
what we think are the right public policies to
pursue.

Senator HANSON-YOUNG (South
Australia) (14:12): Mr President, my final
question is on the issue of unaccompanied
children. Does the government now accept
that the minister for immigration has a
conflict of interest in looking after the
children he is a legal guardian for and in his
role as immigration minister making
decisions about whether to deport them or
not?
Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:13): I think I will take that question on notice in the sense of what the legal advice is following the High Court decision. I know that this is a subject of the decision and I have read reports of it but I have not read that section of the decision closely. I do not think it is so much about a conflict of interest, but I think there are issues involved there which the High Court has commented on and obviously the government will respond to and bring any legislation before the parliament. I will not say any more than that because I do not have a brief as to the detailed consideration of that matter, but if I can get further information I will bring it back to the Senate.

Employment

Senator MARK BISHOP (Western Australia) (14:13): My question is the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans. Can the minister outline to the Senate what has happened to Australian jobs in recent times? How have global events, including natural disasters here and abroad, impacted on the performance of Australia's jobs growth?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:14): I thank Senator Bishop for his question. This Labor government is very proud that in its period in office, since 2007, it has added almost three-quarters of a million jobs to the economy. This reflects the government's very strong commitment to the creation of jobs and having that as central to our economic strategies. Senators would be aware that, in the short term, the outlook for the global economy is increasingly uncertain. Millions of people in Europe and in the United States remain unemployed and the problems in the European financial markets are having ripple effects across the world. Australia is obviously not immune from those effects, nor are we immune from the effects of natural disasters in Australia. People would be aware that the damage to the Queensland economy as a result of the floods and Cyclone Yasi has been measured in the billions of dollars. It is the case, though, that Queenslanders are getting back on their feet.

Indeed, the Australian economy has displayed remarkable strength and resilience. Last week's national accounts figures reveal that the economy grew by 1.2 per cent in the June quarter, a significant rebound after a summer of disasters. That growth was broad based. Australian families are benefitting as a result of one of the highest participation rates in the nation's history, showing that there are more people in work. Australia has one of the lowest unemployment rates in the developed world and, whilst there was a slight uptick this month, compared with like countries such as the United States, which has a nine per cent unemployment rate, our employment market remains strong. Employment grew over the year by 1.2 per cent and the outlook for jobs is still very strong, but the patchwork nature of the economy is proving a challenge and we are seeing structural adjustment impacting on jobs in the economy. (Time expired)

Senator MARK BISHOP (Western Australia) (14:16): Mr President, I ask a supplementary question. Can the minister explain to the Senate the challenges associated with managing a patchwork economy in which some sectors are experiencing strong growth while other sectors are doing it quite tough?
**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:16): It is important to say at the outset that the Australian labour market has a very positive outlook. Our pipeline of resource investment alone stands at $430 billion. Based on my department’s estimates, we will need 270,000 more construction and mining workers over the next five years. So there will be an enormous increase in employment in those industries. The massive investment is also leading to record highs in the Australian exchange rate, and this is having an impact on trade exposed industries, including manufacturing, tourism and international education. We understand the pressures that this is causing in the economy and that the outcomes are a reflection of genuine structural adjustments occurring in the economy. That is why the government is absolutely focused on jobs as being the core part of its response. We are absolutely focused on making sure that Australians continue to get opportunities to take new jobs in the growing economy. (Time expired)

**Senator MARK BISHOP** (Western Australia) (14:17): Mr President, I ask a further supplementary question. Can the minister highlight what the government is doing to promote jobs for Australians and, in particular, can he outline the recently announced jobs summit?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:18): In this year’s budget we announced the Building Australia’s Future Workforce package, which is a $3 billion investment in skills and training. We are working in partnership with business and industry, investing in targeted training to ensure that we have the skilled workforce that our economy needs. To stay ahead of the game and to ensure that all Australians are able to share in the economic growth in Australia, the Prime Minister announced yesterday that the government will hold a future jobs forum at Parliament House on 6 October. The forum will bring together about 80 representatives and experts from businesses, unions, government and academia. These are people who are interested in creating jobs in Australia and in making sure that, during the structural adjustment in the economy, people have opportunities to upskill and to transfer between industries to take advantage of the new job opportunities. So the government will continue to focus on its priority of providing jobs for Australians, encouraging economic growth and greater employment. (Time expired)

**Future Fund**

**Senator JOYCE** (Queensland—Leader of The Nationals in the Senate) (14:19): My question is to the Minister for Finance and Deregulation, Senator Wong. I refer the minister to the answer given by Mr David Tune, Secretary of the Department of Finance and Deregulation, that the 'expected sale of assets from the Future Fund was included in the figure for the sale of non-financial assets', in the budget. As the net cashflows from investments in non-financial assets form part of the surplus in statement No. 9 of the budget’s financial statements, is the minister able to tell us whether the sale of Future Fund assets will decrease, increase or in any way affect the government’s $3.5 billion surplus forecast for 2012-13?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:20): In relation to the reference to statement No. 9, if the senator does want to look at that he will see that there is, as has been the case under governments of both political persuasions, the reporting of
cashflows from investments in non-financial assets and the net cashflows from such investments. He would also see that across the forward estimates, including in the 2012-13 year, to which he has referred, the net position of investments in non-financial assets is in fact a negative on the budget. If the assertion is that there is a negative net position but somehow that is not a negative net position because it is helping you in another way, what is being asserted simply does not make sense.

In terms of the quantum I make the point that this was traversed at estimates. There are a range of decisions, hundreds of decisions, that go into a budget bottom line. They include things such as the $22 billion worth of savings that the government took in the budget, which added to the some $83.6 billion, I think, in savings over previous budgets since Labor came to office.

**Senator Joyce:** Mr President, I raise a point of order on relevance. The question is: does the sale of Future Fund assets decrease, increase or in any way affect the government's $3.5 billion surplus forecast?

**The President:** There is no point of order, Senator Joyce. The minister is answering the question and has 27 seconds remaining to add to the answer.

**Senator WONG:** I am not sure how much more relevant I can be. I have taken the senator through the budget papers. I have tried to explain it to him courteously. But the fact is that he is actually not interested in the answer, just like he has never, as part of the coalition's economic team previously, been interested in putting together costings which add up.

**Senator JOYCE** (Queensland—Leader of The Nationals in the Senate) (14:22): Mr President, I ask a supplementary question. Can the minister please advise the Senate of the current value of the Commonwealth holding in the Future Fund?

*Senator Conroy interjecting—*

**The President:** Wait a minute, Senator Joyce. I missed part of the question.

**Senator JOYCE:** It is not surprising, because Senator Conroy is such a nuisance.

**The President:** Senator Joyce, there is no need to comment. I am just asking that you be heard in silence.

**Senator JOYCE:** Mr President, I will start again. Can the minister please advise the Senate of the current value of the Commonwealth holding in the Future Fund? That is not an assertion; we are looking for a statement of fact. What is the quantity of the government's current contribution to the Future Fund, since it was elected in 2007? That is not an assertion; we are also looking for a fact.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:23): There are a number of questions there. Firstly, in relation to the total assets held by the fund, it is in excess of $70 billion as at the last annual report.

**Senator Joyce:** It is $75 billion.

**Senator WONG:** If you knew the answer, why did you ask the question? These figures are published annually, as the senator would be aware. I will take on notice the precise total cumulative change over the last number of years. I would make the point that, like most other funds, there was a global financial crisis, so obviously that would have been reflected in the returns on investment. In relation to the amount held in— *(Time expired)*

**Senator Joyce:** The answers were '$75 billion' and 'zero,' but the minister is really struggling with this.

**The President:** Ask a question, Senator Joyce. That is all I am after.
Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:24): Mr President, I ask a further supplementary question. I refer to the comments from the Treasurer, Wayne Swan, in 2005: 'We can't have the Future Fund being plundered by the National Party. It has to be locked in a box.' Minister, does it remain the government's policy to keep the Future Fund locked in a box, or have you succumbed to the temptations of Ron Boswell? Are you basically robbing Peter Costello to pay Penny?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:25): I think one thing we have established in this question time is that, clearly, Senator Cormann and Senator Joyce do not talk to each other, because I answered almost the entirety of that question in response to the first question from Senator Cormann. I have also put out a press release. Clearly, Senator Joyce does not like reading and he does not like facts to get in the way of a good story. He is wrong. We have made clear that we are not raiding the Future Fund, we are not withdrawing funds from the Future Fund and we have no intention of doing so. He should stop coming in here and making false assertions, because false assertions are not a substitute for political debate and they are certainly not a substitute for sensible economic policy. And let me tell you that, when it comes to sensible economic policy, that end of the chamber is a complete wasteland.

Vocational Education and Training

Senator RHIANNON (New South Wales) (14:26): I direct my question to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans. Can you provide the house with details on the vocational education and training FEE-HELP review, conducted by the Department of Education, Employment and Workplace Relations? In particular, what were the terms of reference for the review; what inequities were found in the VET FEE-HELP Assistance Scheme; what consultation occurred with stakeholders, including the community; and how does the government plan to respond to issues raised by this review?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:27): I thank the senator for her question and I am pleased to see that it is focused on a key policy issue, which is how we progress reform in the vocational education and training sector, as it drives so much of the nation's prosperity and opportunities for Australians. We did implement a review of the VET FEE-HELP Assistance Scheme as a result of a commitment given by the Prime Minister in 2008 or 2009 where we said we would look at the experiences in Victoria and undertake a review of that scheme. As I understand it, the review is being conducted by a Canberra based management consultant firm. It has been set that task.

Opposition senators interjecting—

Senator Bob Brown: Mr President, I simply cannot hear the minister's answer, due to the interjections from the opposition about their reading of the Greens website. I ask you to give us the ability to hear the answer to this question.

The PRESIDENT: The senator is entitled to hear the answer to the question that the minister is giving. I remind those on the left that it is disorderly to interrupt during the minister's answer.

Senator CHRIS EVANS: I will have to take on notice who has been consulted and how the review is being conducted. But I understand we have recently received a draft report for the review. I have not yet been
briefed on that. We will consider those findings in the context of the discussions with the states on the wider reform of VET, as outlined in the budget. What I do know is that, from earlier advice I saw from the department, we saw quite a strong take-up in 2010, in that 26,000 students had accessed a loan to help pay tuition fees and there was good, early evidence of access by increasing numbers of disadvantaged learners. I have not seen the formal report. When I get that I will make it public. I can advise the Senate that we have undertaken, as part of the COAG process for the new National Partnership on vocational education and training, to hold a series of consultations with key industry players. I have already attended one roundtable, which will allow a broader debate on what should be included in the new National Partnership on vocational education and training as part of the COAG process. I think we do need to open it up to more input from other players.

Senator RHIANNON (New South Wales) (14:30): Mr President, I ask a supplementary question. Minister, when will the outcomes of the review of the Productivity Places Program be made public, and how will your government keep its commitment to consultation with stakeholders on proposals to reform the VET sector that were announced in the budget?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:30): Again, I will take this on notice, but I think the most recent report on the PPP was released recently. The report that has received some coverage in the papers recently was a much earlier report. But I will take it on notice, and if the report is publicly available I will make that available. It actually showed a much more positive picture of the take-up of PPP places.

Interestingly, it showed an increase in the number of people taking higher-level qualifications.

As I indicated earlier, I am keen to have key stakeholders engaged in the debate around VET reform and the nature of the COAG partnership agreements. I have started on that process and have met with the key players, and I will continue to do so. In fact, the ministerial council will invite half a dozen of the key players to brief it prior to its next meeting. So we are looking to broaden that engagement. (Time expired)

Senator RHIANNON (New South Wales) (14:31): Mr President, I ask a further supplementary question. Minister, are you aware that TAFE New South Wales, in its submission, highlighted the inequities of the VET FEE-HELP scheme relative to the Higher Education Contribution Scheme, or HECS, and made recommendations to reduce the cost of administering the scheme to make it less complex for students and also more flexible? What is your response to the TAFE New South Wales recommendations?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:32): I am aware that those concerns have been expressed. It is one of the issues that were picked up in the review and to which we will respond. I will make the broader point that this government strongly supports the FEE-HELP scheme. We think it has been one of the best things Australia has done to allow access to university education. I think there are very strong prospects for it to make a similar contribution at certain levels of VET education to assist students to be able to afford to take on the courses that will give them the best opportunities in life.

Clearly this review is important. I also note that, as I understand it, the policy of the
Greens is to abolish all HECS and FEE-HELP student debts. I would like to know whether that is still Greens policy. Clearly if we are going to have a debate about this it has to be in the context of our strong support for the scheme and whether or not the Greens support the continuation of the FEE-HELP scheme. (Time expired)

Economy

Senator SINGH (Tasmania) (14:33): My question is to the Minister representing the Treasurer, Senator Wong. Can the minister inform the Senate on the latest national accounts and what they say about the strength of our economy?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:33): I thank Senator Singh for her question. Last week the national accounts were released. These were further confirmation of the underlying resilience of the Australian economy. They showed that the Australian economy grew by 1.2 per cent in the June quarter. Across Australia, people were pleased to see that the Australian economy had grown and that we are continuing to see economic growth—with some small exceptions, of course: those opposite. Clearly, the only people in Australia who were not happy to see that the Australian economy grew in the last quarter were the opposition. All they have been wanting to do is talk down the economy and try to create uncertainty and fear with a whole range of false assertions and running a fear campaign, and we have continued to grow. (Time expired)

Senator SINGH (Tasmania) (14:35): Mr President, I ask a supplementary question. Can the minister outline to the Senate how our economic performance compares with that of other developed countries?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:35): As I said, we are performing extremely well compared with other developed economies—a fact that the opposition does not wish to acknowledge. In fact, our GDP is now five per cent higher than it was prior to the global financial crisis, whereas GDP in the United States, Europe and Japan is still broadly below pre-GFC levels. So let us remind ourselves again: we have grown some five per cent since the start of the global financial crisis; comparable developed economies still have not reached their pre-GFC levels. But you would not believe that, given the gloom and doom of those opposite, who are happy to talk down confidence, happy to talk down jobs, happy to say anything as long as it is in their political interests, even if it is not in the national interest—an extraordinarily irresponsible way to behave.

Senator SINGH (Tasmania) (14:36): Mr President, I ask a further supplementary question. Can the minister outline the
importance of a strong fiscal strategy to the Australian economy?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:37): It is important to have a sound fiscal strategy, which is why the government has one. It is why the government's strategy has been supported by those such as the IMF. It is interesting in the context of talking about fiscal strategy to consider the opposition's position on this, which is simply all over the place. We have had this extraordinary experience of seeing Mr Hockey first saying 'It is a $70 billion black hole' and then saying 'Oops, it is not.' Then, Mr Abbott said 'No, $70 billion in fanciful.' And then Mr Robb, presumably telling the truth, confirmed the $70 billion figure. So we have Mr Abbott, Mr Hockey and Mr Robb all saying something different about the size of the black hole in the fiscal strategy of those opposite. (Time expired)

Future Fund

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (14:38): My question is to the Minister for Finance and Deregulation, Senator Wong. Given that the current government has never made a contribution to the Future Fund, when does the government anticipate making a contribution to the fund from a future Labor budget surplus?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:38): What I would say about the Future Fund, as we have confirmed in this discussion today, is that the assets held by the fund are about $70 billion—I think it is around $75 billion—and I suppose the opposition could fill their budget black hole by selling the entire of the Future Fund. That could be their approach to fiscal policy, given that they have yet to have a set of costings that add up.

I make the point that we have traversed this is great detail. Those opposite continue to make assertions around the Future Fund that are not true.

Honourable senators interjecting—

The PRESIDENT: Order! If you want to debate this, debate it post question time.

Senator WONG: Given the $70 billion black hole those on the other side are saddled with, let me say that this government, with a clear and sound fiscal strategy, will be making a contribution well before the opposition ever could—

Senator Fifield: Point of order on relevance. The question was: given that the government have not contributed a single dollar to the future fund, when do they think it is likely they might?

Senator Conroy: On the point of order, Senator Wong is clearly addressing the question. She is clearly addressing what is probably the broadest question you could possibly put on the table—

Honourable senators interjecting—

The PRESIDENT: Senator Conroy, resume your seat. If you want to debate it, I understand someone has decided to take up the offer to debate it after question time, and that is the appropriate time. Not now.

Senator Conroy: The question was so broad that Senator Wong's answer is completely within the ambit of the question. I ask you to dismiss this point of order on relevance on the basis that Senator Wong is being absolutely relevant to the question.

The PRESIDENT: The minister has 58 seconds remaining to answer the question.

Senator WONG: Given that we do not have the $70 billion black hole that those opposite have, our budgets will be in a much better position than theirs. But I would make this point, because I think it is an important one: those opposite seem to have forgotten
something called the global financial crisis. It is extraordinary, isn't it? This economic event has caused major advanced economies to have levels of unemployment in excess of nine per cent, unlike Australia, where the unemployment figure has a five in front of it. It has occupied the policymakers and the leaders of the United States, Europe and all the major advanced economies and the developing economies. And yet they on that side seem to believe that it never happened. They never had a policy for it— (Time expired)

**Senator FIFIELD** (Victoria—Manager of Opposition Business in the Senate) (14:42): Mr President, I ask a supplementary question. I refer the minister to page 25 of the *Budget Overview* for 2005-06, which states as follows in reference to the Future Fund:

> The Fund will be quarantined from the rest of the budget …
>
> … Fund earnings will be excluded from the underlying cash balance …

Will the minister recommit to these foundation principles on which the Future Fund was established?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:43): The accounting standards the government follows are the accounting standards that the government has followed for many years. There is a distinction, which the opposition seem not to understand, in terms of the accounting for the sale of non-financial assets—

*Honourable senators interjecting—*

**The PRESIDENT:** When there is silence we will proceed. You are wasting question time by having these discussions across the chamber.

**Senator WONG:** In answer to previous questions, I have already explained the accounting of the sale of non-financial assets. I have made the statement in this chamber on a number of occasions now that the government is not raiding the Future Fund, yet the opposition continue to press the assertion, which is incorrect. I have corrected it on a number of occasions.

**Senator Cormann:** Did you read what your spokeswoman said in the paper today?

**Senator WONG:** Senator Cormann, if you want to use the *Australian* as the entirety of your research that is up to you, mate. Seriously. But I would make this point— (Time expired)

**Senator FIFIELD** (Victoria—Manager of Opposition Business in the Senate) (14:44): Mr President, I ask a further supplementary question. Will the minister give an undertaking that the Future Fund will not meet the same fate as the Higher Education Endowment Fund and the Health and Medical Infrastructure Fund? Will the minister give an unequivocal guarantee that the Future Fund will not be touched under any circumstances contrary to its founding objectives?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:45): I would refer the senator to my previous answers to Senator Cormann and Senator Joyce which make clear the government's position in relation to this matter. But I would say that if those opposite care so much about fiscal responsibility they can deal with their $70 billion black hole and they can explain why they voted to increase the government's liabilities when it comes to superannuation. You supported Senator Ronaldson's bill, which will increase public sector civilian and military superannuation liabilities—a decision that Senator Minchin was not prepared to come into this chamber.
and vote for. So you want to come in here and talk about unfunded liabilities, but you add to them yourselves by the way you vote. The reality is the opposition have no economic or fiscal credibility. They think that because they once sat near Peter Costello that gave them fiscal credibility. Well, it does not.

Indigenous Employment

Senator STERLE (Western Australia) (14:46): My question is to the Minister for Indigenous Employment and Economic Development, Senator Arbib. Can the minister please update the Senate on how the government is working towards closing the gap on Indigenous employment? In particular, can the minister please outline the importance of working with young Indigenous people—

Senator Ian Macdonald interjecting—

Senator STERLE: You may want to listen, Senator Macdonald. You might learn something.

The PRESIDENT: Senator Sterle, ignore the interjections. Just address your question to the chair.

Opposition senators interjecting—

Senator STERLE: I'm only just starting, mate.

The PRESIDENT: Senator Sterle, just address the chair.

Senator STERLE: Mr President, this is a very important question and I may start again.

The PRESIDENT: No, just continue the question.

Senator STERLE: In particular, can the minister please outline the importance of working with young Indigenous people to reaching the target of 100,000 Indigenous Australians getting and keeping jobs by 2018?

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness) (14:47): Thank you, Senator Sterle, for the question. I know he has a deep interest in—

Opposition senators interjecting—

The PRESIDENT: Senator Arbib, just resume your seat. If that is the way senators want to waste time in question time, that is your choice.

Senator ARBIB: I was just saying I know that Senator Sterle has a deep interest in this area. While the government is working generally on employment and, as Senator Wong said earlier in an answer, 140,000 jobs have been created and people are able to put food on the table and shelter over their families, we are also ensuring that work is done with Indigenous employment. We are working to close the gap, creating and sustaining 100,000 jobs out to 2018. This is difficult work. While the majority of the work that will be done by the Job Services Australia providers will be done under the Indigenous Employment Program, we have identified that we need to work with young Indigenous Australians while they are still at school, making sure that young Indigenous students have a pathway into employment.

In 2010 we established the Learn Earn Legend! program. It is a program based on keeping young Indigenous students in school, giving them an opportunity to learn but, at the same time as that, ensuring they get that pathway to employment. We are working with national sporting organisations, with education providers and also with Indigenous communities themselves. We are making progress. The Gold Coast Titans have set up the first of the programs. In 2010, 131 students took part in the program.
So far, 84 per cent have gone on to jobs, further training or higher education. Currently there are 188 students in that program. The Brisbane Broncos worked with 41 students in 2010 and 85 per cent—

Senator Brandis interjecting—

The PRESIDENT: Senator Arbib, just resume your seat. Senator Brandis, constant interjection is completely disorderly.

Senator ARBIB: Of the 41 students, 85 per cent are going on to jobs. So this is not training for training's sake. This is not training so people have certificates they can put up on their walls. This is training that leads to genuine employment, genuine jobs. This is where the government is investing its funds in the school area, making sure that— (Time expired)

Senator STERLE (Western Australia)(14:50): Mr President, I ask a supplementary question. I note the minister mentioned some of the Learn Earn Legend! programs the government is supporting. Can the minister please inform the Senate how the government is using mentoring to support effective school-to-work transitions?

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness)(14:50): We have identified that mentoring is one of the most important things that can be provided to these Indigenous students.

Opposition senators interjecting—

Senator ARBIB: Liberal senators may want to make fun of this, but it is an important issue and it is certainly making a change to many people's lives. In the last budget we provided $50.7 million over four years to support 6,400 Indigenous school based traineeships. These traineeships will predominantly support students in years 11 and 12, providing them with real work experience, real mentoring and real support moving forward into employment. Students are working with employers and small business. At the same time as that, the program provides them with the opportunity to make that jump into employment, and that is exactly why this program is in place. The support for mentoring, though, does not start in year 11 and 12; it starts in year 7. Funding has been put forward to support students in year 7 so they can make progress— (Time expired)

Senator STERLE (Western Australia)(14:51): Mr President, I ask a further supplementary question. I note that today there are Indigenous students in Parliament House as part of the Learn Earn Legend! program, of which I have young Synarah from Port Hedland in my office. Can the minister please outline what this program is about and how it is assisting Indigenous students?

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness)(14:51): We are fortunate enough in this parliament to have 100 young Indigenous students from across the country who have come to Canberra to spend the week working with members of parliament, ministers and parliamentary secretaries but also with government departments. On behalf of everyone involved, I welcome the students to Canberra and welcome the students to the week. I also thank the large number of parliamentarians, both senators and MPs, who were involved in the program. We have gone up from around 75 to over 90 MPs. Certainly the program was extremely successful over the last year and has now been increased in size. The important thing is that there are jobs in government departments, graduate traineeships and
scholarships, and we want to make sure that young Indigenous Australians understand the jobs are there and get the opportunities to get access to those jobs. That is why this program is so important. I thank all the parliamentarians for their support. \(\text{(Time expired)}\)

**Asylum Seekers**

**Senator CASH** (Western Australia) (14:52): My question is to the minister representing the Minister for Immigration and Citizenship, Senator Carr. Given that the current Prime Minister used to say that every boat arrival constitutes another policy failure and in light of the hundredth boat arrival under the current Prime Minister's watch over the weekend, will the minister now concede that this government has a tonne of policy failures?

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:53): I thank the senator for her question. What we can say with certainty is that this government—

*Honourable senators interjecting—*

**The PRESIDENT:** Senator Carr, resume your seat. The chamber is wanting to debate the issue.

**Senator CARR:** The government is committed to breaking the people-smuggling trade. The Prime Minister has announced that we will be introducing legislation to the parliament to amend the Migration Act to provide certainty for offshore processing. The cost of implementing the transfer arrangement with Malaysia will be, as has been previously announced, some $292 million. What we have here is—

*Honourable senators interjecting—*

**The PRESIDENT:** Senator Carr, resume your seat until there is silence. You may now continue.

**Senator CARR:** Those opposite have to answer a pretty basic question, and that is: why would they waste some $980 million over four years on operational expenses along with the assessment centre in Nauru which will make no difference to those who are actually plying the people-smuggling trade? I would ask Senator Cash to enlighten the Senate on the way in which those opposite are actually prepared to ignore the experts who have identified quite clearly that the model that is being proposed by the opposition has failed. It has failed dismally. This is nothing but a cheap, political stunt to try to present the view that they have the answers to what are quite complex problems.

That is quite sharply in contrast to what the government are adopting. We are committed to orderly migration programs. We are committed to ensuring that we bust open the people smugglers' racketeering. Those opposite would enhance that racketeering by proposing solutions which they know will not work and which they know, as they did in the past, would end up ensuring that Nauru is—\(\text{(Time expired)}\)

**Senator CASH** (Western Australia) (14:55): Mr President, I ask a supplementary question. Given that the—

*Opposition senators interjecting—*

**The PRESIDENT:** Senator Cash, you are seeking the call, rightly, to ask a question and be heard in silence and it is your own side who are drowning you out. It is very hard. You are entitled to be heard in silence by both sides.

**Senator CASH:** It is difficult to drown me out, but I accept that. Given that there have been 240 boat arrivals carrying over 12,000 asylum seekers since the government scrapped the tough measures introduced by the previous coalition government, will the minister now concede that a government without a border protection policy is a
government content with a never-ending raft of unlawful boat arrivals and border chaos?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:57): Perhaps I could remind Senator Cash that the message that we are sending is that we will ensure that those who are plying the people-smuggling trade will be strenuously opposed. We are, on the other hand, very keen to increase Australia’s humanitarian impact. We are helping improve the treatment of refugees throughout the region, and we are quite genuinely contributing to a regional solution on these issues.

What I can also remind senators opposite is that, under their proposal, 95 per cent of those who ended up in Nauru—

Honourable senators interjecting—

The PRESIDENT: Just sit down, Senator Carr. The time for debating this, I remind the chamber, is after question time.

Senator CARR: Of those people who were left to rot on Nauru, 95 per cent were found to be refugees and ended up settling in Australia and New Zealand. So the claims made by those opposite when they were in government were demonstrably untrue. In fact, we had a 95 per cent failure rate—(Time expired)

Senator CASH (Western Australia) (14:59): Mr President, I ask a further supplementary question. Is the minister aware of comments made by his colleague Senator Mark Bishop, from Western Australia, who recently said that the ‘very existence of the government itself’ was threatened by its botched mishandling of the Malaysian solution? If the government’s own caucus members do not have confidence in its border protection policies, how can it expect the Australian people to?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:59): What I am aware of is that the government is very clear: we are intending to amend the Migration Act to ensure that we are able to provide the opportunities to work with Malaysia so that we can ensure that persons who do arrive will be able to be treated properly in Malaysia. We are also very clear that the opposition’s policy in regard to Nauru is totally ineffective and very costly. What we do know is that the strategies pursued by those opposite—they will have their opportunity; they will get their opportunity to respond to the government’s invitation. We look forward with interest to what the opposition has to say about amending the Migration Act. What we do know is that the policies that were pursued by the coalition when it was government failed dismally and that we saw some 8,000 people encouraged to get onto rickety boats—

Senator Brandis: It’s a lie!

The PRESIDENT: Senator Brandis, you will withdraw.

Senator Brandis: I withdraw.

Senator CARR: Over a period of two years, 8,000 people were actually encouraged to get onto rickety boats under your—(Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Apple Imports

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (15:01): On 25 August, Senator Xenophon asked me questions about
apple imports from New Zealand. I seek leave to incorporate the answers in *Hansard*.

Leave granted.

**The answer read as follows—**

**QUESTION FROM SENATOR XENOPHON ON 25 AUGUST 2011.**

**Question:** Minister, following on from the answers you provided yesterday in relation to the importation of New Zealand apples, did the Government receive any advice as to the withdrawal of concessions New Zealand would be entitled to impose in the event that import permits were not able to be issued by 17 August 2011? Who was the advice from and what was the nature of the advice?

**Answer:** The WTO Trade Law Branch of the Department of Foreign Affairs and Trade provided regular legal advice to the government on New Zealand's rights under the WTO Agreement in the event that Australia failed to comply with the outcome in the apples dispute. This included advice on New Zealand's right to suspend concessions in respect of Australian exports to New Zealand.

Under WTO rules, New Zealand would initially need to target its retaliatory measures at exports of Australian goods (rather than services). New Zealand would have the discretion to suspend concessions on any product it wished, up to the value of the authorised retaliation. New Zealand is an important export market of Australia. In 2010, Australia's total goods exports to New Zealand were worth $8 billion across 1153 product categories.

**Question:** Minister, what steps would New Zealand be required to take to withdraw any concessions?

**Answer:** Under WTO rules, New Zealand would need to seek authorisation from the WTO Dispute Settlement Body under Article 22 on the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes to suspend concessions.

**Question:** Doesn't that answer assume that what WTO agreements do is to authorise the imposition of sanctions? Don't they just authorise that concessions no longer apply?

**Answer:** Article 22 authorises the suspension of concessions in certain cases. The suspension of concessions is often referred to as the imposition of retaliation or sanctions.

**Environment Protection and Biodiversity Conservation Act**

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity (15:01): On 25 August, Senator Waters asked me a question about the Environment Protection and Biodiversity Conservation Act. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

**The answer read as follows—**

**QUESTION FROM SENATOR WATERS ON 25 AUGUST 2011.**

I took on notice some questions from Senator Waters in relation to the EPBC legislative reform package.

I would like to provide the Senate and Senator Waters with some further information.

Firstly, Senator Waters asked about the impacts on water systems from proposed developments.

The Federal Government continues to have an important role to play in assessing projects — including coal seam gas — which are likely to have a significant impact on Matters of National Environmental Significance, including species listed as threatened or endangered.

If there is not likely to be a significant impact on those Matters, the Federal Government does not have a role in the assessment process.

I refer the Senate to recent comments by Minister for Resources and Energy Martin Ferguson, who stated that regulation of coal seam gas mining on farmland was primarily a matter for state governments.

However, Minister Ferguson said the Federal Government is facilitating discussion at a state
level on issues such as a uniform approach to the regulation of the industry.

This is an appropriate and practical way for the Federal Government to play a role in helping to improve regulation of the industry, while recognising this is primarily a matter for state governments.

Senator Waters also asked about the draft offsets policy released as part of reforms to national environmental law.

The Senator described this draft policy as a 'move to extend the use of offsets'.

I can inform the Senate that this draft policy is not about extending the use of offsets — rather, it is about increasing transparency.

As the draft policy states, it is intended to give the community, proponents and other jurisdictions more certainty and guidance on how offsets are determined and applied under the EPBC Act.

It is also designed to ensure the efficient, effective, transparent, proportionate, scientifically robust and reasonable use of offsets under the EPBC Act.

The public comment period will close on 21 October 2011 and the government will not determine its final policy position until after it has considered public feedback on the draft policy.

However, the government notes that the draft policy states that offsets are not intended to make proposals with unacceptable impacts acceptable and that offsets cannot be used to allow an action with unacceptable impacts to proceed.

Senator the Hon. Stephen Conroy,
Minister representing the Minister for Sustainability, Environment, Water, Population and Communities

12 September 2011

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Future Fund

Senator CORMANN (Western Australia) (15:01): I move:

That the Senate take note of the answers given by the Minister for Finance and Deregulation (Senator Wong) to questions without notice asked by Senator Cormann, the Leader of the Nationals in the Senate (Senator Joyce) and Senator Fifield today relating to Future Fund assets.

Whatever way you look at it, the government has been caught out using the proceeds from the expected sale of Future Fund assets to help it create the illusion of an early surplus. The assets from the Future Fund are of course supposed to be quarantined from the government. The government is not supposed to touch those assets, but what is very clear from information provided by the Secretary of the Department of Finance and Deregulation, David Tune, is that the government expects to raise revenue from the expected sale of Future Fund assets and that those proceeds will hit the budget bottom line. Those proceeds will become part of the government's underlying cash balance in 2012-13, which the government wants us to believe will be about $3.5 billion.

Today we had a lot of political rhetoric from the minister. We did not have a lot of facts, we did not have a lot of actual information and we did not have a lot of answers to the questions asked, so let me recap where things are at. A spokesman for the Minister for Finance Penny Wong was quoted in the Australian today as saying:

… more than $250 million worth of assets were due to be withdrawn from the Future Fund in the 2012-13 financial year, despite the fund having been created, by Peter Costello, under the condition it was not to be touched before 2020.

These are not the opposition's words; these are the words of the minister's own spokeswoman, as reported by the Australian. A spokesman for the Future Fund is also quoted in the story, confirming:

… the anticipated withdrawal was known to the fund and that this was the first time a withdrawal had been included in the budget bottom line.
This of course is a government that is always desperate for more cash. It is a government that has deserted for successive deficit budgets. It is a government that inherited a position of no government net debt. It is a government that is very quickly running up to $107 billion worth of government net debt and is likely to exceed that, given the fiscal impact of recent decisions, including the $4.2 billion hit on the budget bottom line from the carbon tax and various hits from decisions in Western Australia and New South Wales to increase royalties.

Today, the minister refused to confirm the figure that was given by her own spokeswoman. Her spokeswoman said that the government planned to withdraw—the spokeswoman's words—$250 million worth of assets from the Future Fund. I ask the minister: how much of the $4.937 billion in estimated proceeds from the sale of non-financial assets in 2012-13 is expected to come from the sale of assets of the Future Fund. Given that the government has put the overall figure into the budget, the minister, if she were prepared to be open and transparent, should have provided the Senate with that figure. It is a very straightforward question. The Secretary of the Department of Finance and Deregulation let the cat out of the bag. He said that that figure of $4.937 billion includes revenue from the expected sale of Future Fund assets. The Senate deserves to know how much the government expects to collect from that. The minister also confirmed that, yes, the proceeds from that sale of Future Fund assets will hit the budget bottom line. It is part of the government's claim of an early surplus; it does form part of the government's underlying cash balance of $3.5 billion. The minister was not prepared to say when that money would leave the government's budget bottom line and when it would exclusively be held as an asset in the Future Fund.

The Future Fund has sold assets before. The Future Fund sold down its shareholding in Telstra, for example. None of those proceeds and none of those sales have ever made it into the budget bottom line. Sales of assets and purchases of assets inside the Future Fund should not hit the budget bottom line, but of course this is just, at best, another accounting trick by a government that is so desperate to claim an early surplus that it is prepared—(Time expired)

Senator BILYK (Tasmania) (15:06): The government is not withdrawing anything from the Future Fund. That is fundamentally incorrect. It is another false assertion by those on the other side, another part of the scare campaign that they have run constantly since they have been in opposition. They are trying to scare the people of Australia so that they will vote for them at the next election. People are not conned by that at all. As the minister said in question time, she has put out a press release asserting the fact, but those on the other side once again just do not want to know that, just do not want to hear it. As we heard earlier, it appears that the only people that are not happy with the economy in Australia are those on the other side. They do not want to know any of the good news; they just want to talk down the economy all the time. When you come from a party where you have got a $70 billion black hole, it just amazes me that you continue to talk down the economy.

The government has a very sound fiscal strategy, unlike those on the other side. They cannot even work out how to fix up their big black hole. Instead of making false claims about the budget they would do better to focus—especially Mr Robb and Mr Hockey, who cannot even get their facts aligned—on how they are going to deal with their big black hole. Ever since they have been in opposition they have been talking down the economy and doing nothing—all they have
done is oppose, oppose, oppose. They have to realise that there are 140,000 more Australians in jobs than there were a year ago. That is a very important issue. The people of Australia understand that that is an important issue. I also think Mr Hockey should stop trying to avoid scrutiny by undermining the role of the Parliamentary Budget Office. If the coalition were serious about budget accountability and transparency they would support the recommended model for the Parliamentary Budget Office and the government's legislation. But, no, they cannot do that. They have to come out with a brand-new scare campaign. Every week there is a new scare campaign. The latest is that the government is going to sell off Future Fund money. As I have said, that is untrue. It is just another scare campaign from those on the other side.

The Gillard government has a sound fiscal strategy. We understand the importance of having that sound fiscal strategy and making sure that the government and the country are able to move forward. We understood that when we went into deficit to put stimulus into the economy, which kept over 200,000 Australian jobs and kept people off the dole queues. We made it clear at that time that we would return the budget to surplus, and that is what we continue to do. We laid down a budget earlier this year that has us coming back to surplus in 2012–13, and as a government we are determined to deliver on that.

As I said, those opposite can run their scare campaigns. Today it is one thing, tomorrow it is another thing and last week it was something else. I do not think a week has gone by where they have not come up with some new scare campaign to try to make themselves look more impressive. The $70 billion black hole is the thing that people out there in voter land will remember. Those opposite cannot come up with a way to deal with it. They would rather cut pensions to Australian pensioners for two years or cut Medicare than deal with the reality of their $70 billion black hole. At the time of the previous election, if my memory serves me correctly, they had an $11 billion black hole that I do not think they dealt with appropriately either.

Our economy is in a very strong position. It is almost stronger than that of any other advanced economy. We are weathering the global financial uncertainty, as we did the previous financial crisis. We are building productivity, we are investing in skills and education, we are investing in trade training centres and we are investing in the National Broadband Network. Those opposite did nothing for 12 years. They claim that they had this great surplus when they lost government, but they did nothing. They did not spend on infrastructure. They did not spend any money for the future of the people of Australia. They do not care what happens in future to the children of today. They just do not care. (Time expired)

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (15:11): Thank you very much, Mr Deputy President—you are not acting anymore; you are the real thing! It is an interesting day. They have got the big guns out today defending Senator Wong. I would have to say that Minister Wong had a very bad day in the office today. Let's start with her actual statement, which was:

Any funds raised from the sale of nonfinancial assets will be kept by the Future Fund—not by the government.

She said:

The government is not making withdrawals from the Future Fund. The Future Fund is simply making a small change to the types of assets it holds.
See, $250 million—a quarter of a billion dollars—is just small change. Hell, if you dropped it at the pub on a Friday night you would not bother picking it up!

Let us go through statement No. 9 of the budget financial statements. This is helping the finance minister out with finance. It has been ticked off; it is part of her portfolio. There we see it: net cash flows from investments in nonfinancial assets are $3.77 billion. The trouble is that that actually becomes part of the bottom line, where they end up with a $3.498 billion surplus—the magical $3.5 billion surplus. In two pages, quod erat demonstrandum—QED—it is all worked out for you. It does actually affect the bottom line. If the minister had read two pages she would have made a more concise, articulate and correct statement than the one she actually made. But the fun did not stop there. It just kept going. In answer to a question from Senator Cormann, my good friend and colleague, Mr Tune said, 'The estimates for the sale of nonfinancial assets'—we have just been through that—'include the expected sale of assets from the Future Fund.' Boom, boom! Surely not. Senator Wong said it was not so. She came into the parliament today and said it. Then we had to quiz her. Maybe she just missed it. We should quiz her on a few of the fundamental facts that any decent financial officer should know—fundamental facts that should be at your fingertips, like, for instance, how much you have got in the Future Fund. The answer to this one was a clanger. She said, 'I think we have got more than $70 billion.' She could have said, 'I think we've got more than a dollar,' or 'I think we've got more than $38.56.' But, no, she thinks we have more than $70 billion. It is just a little bit more, actually—it is $75.15 billion, if my memory serves me correctly. But who cares? What is $5 billion between friends these days? These are the most fundamental things that she cannot handle.

It gets worse. We asked how much they have contributed—not the capitalisation of interest but how much of a contribution to the Future Fund this economic luminary and her forebears have presided over. Her answer? She will take that one on notice. She did not know how much she had contributed to her own Future Fund. We were having a bit of a laugh before because they were saying two was the number. What is so interesting about the answer to this is that it is not a number. It is not a number because it is nought—it is zero. It is ex nihilo—it is nothing. They have contributed nothing to the Future Fund. But she could not remember that she had not contributed anything, so she took it on notice. No doubt we will get an answer back later on telling us it is nothing.

Where does this leave our nation? It leaves our nation in the hands of people who are completely and utterly out of their depth. If it was any sadder you would cry. This is the person who is responsible for financial affairs—she is the finance minister. But they do not have a clue. So they run out of the chamber and put Senator Bilyk out there to defend them after questions on notice. I would have stayed in the chamber myself.

To help out Minister Wong with a few of the figures: the government has $133 billion of liabilities to public servants. If they all retired and they all wanted their money the government would have to pay out $133 billion. But it does not have $133 billion. It has the Future Fund with $75 billion in it but if you start using that money to pay off your surplus then you are using their savings to fix up your stuff-up.

Senator THISTLETHWAITE (New South Wales) (15:17): The claims by Senators Cormann and Joyce and those
opposite relating to the Future Fund are completely misleading and incorrect. They also demonstrate a complete lack of understanding of the operation of the Future Fund and indeed the architecture for the management of the fund that was put in place by those opposite when they were in government. Claims of accounting tricks and withdrawals from the fund are completely misleading. Those opposite fail to understand risk in a difficult economic environment. They fail to understand that the timing of the sale of assets related to the Future Fund is an issue for the Future Fund—a Future Fund with an independent board of guardians, amongst whom is none other than the former Treasurer, Peter Costello. They fail to understand just how this fund works.

This also demonstrates a complete lack of credibility when it comes to economic management. This is from those opposite, who went to the last election with a suite of policies that, when costed, came up $11 billion short. Even their own auditors would not give an unqualified appraisal of their accounting for their election promises. Those opposite criticised the stimulus package that this government put in place to deal with the financial crisis and to support communities and jobs. What has happened in the wake of that? We have one of the strongest economies in the OECD and a job rate that is the envy of the United States and the United Kingdom, with an unemployment rate half the rate in those countries. We did an excellent job of managing the economy during the global financial crisis.

More recently, a leak from the opposition party room has indicated that they are planning $70 billion worth of cuts to services in the lead-up to the next election. They plan to go to the election with a policy of restoring a surplus but they have failed to come clean with the Australian people about how they are going to achieve this surplus. How are they going to achieve this surplus without the revenue from the minerals resource rent tax? How are they going to achieve this surplus without the revenue from carbon pricing? There is one way they are going to achieve this perceived surplus, and that is through cuts to services—$70 billion worth.

They will not come clean with people in their individual electorates. I have asked the member for Calare, John Cobb, to come clean with the people of Calare about what services are going to be cut in that electorate. Is Medicare on the line? Is the childcare rebate on the line? Are increases to pensions on the line? Is a reduction in the company tax rate on the line? What services are those opposite going to cut from the budget to achieve their so-called surplus?

When it comes to carbon pricing, the advice of all the experts throughout the world on what is one of the most pressing environmental and economic issues facing our nation is that an emissions trading scheme is the most cost-effective way of tackling climate change.

Senator Cormann: Mr Deputy President, I rise on a point of order. I draw your attention to the motion before the chair, which is that the Senate take note of the answers by Senator Wong to questions asked by Senators Cormann, Fifield and Joyce. Senator Thistlethwaite is not speaking to the motion before the chair and I ask that he return to it.

The DEPUTY PRESIDENT: Senator Thistlethwaite has been directly relevant for the majority of his contribution. We have always allowed a little latitude in take notes.

Senator THISTLETHWAITE: My points go to the issue of economic
management. Economic management is at the core of the claims made by those opposite. When it comes to the issue of pricing carbon, we have seen from David Cameron, the Conservative leader in the United Kingdom, that we have got it right. We have got it right on this important economic issue. When it comes to the claims made by the opposition in respect of the Future Fund, this morning and in the parliament, they are simply wrong. They fail to understand the architecture of the fund, the independence of those who manage that fund and the need for the fund to make decisions to reduce risk on behalf of the people of Australia, whose funds are invested in the scheme. (Time expired)

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (15:22): You might indulge us a little if we are a bit suspicious of this government when we receive advice, as we did, from answers to questions on notice—forensic questioning by Senator Cormann—that the estimates for the sale of non-financial assets include expected sale of assets from the Future Fund. The reason for our suspicion is this. You might recall there used to be something called the Higher Education Endowment Fund—gone. There used to be a thing called the Health and Medical Infrastructure Fund—gone. There used to be a thing called the telecommunications fund—gone. That is billions of dollars set aside for investment in community assets and infrastructure gone, squandered by this government. They basically did a smash-and-grab raid on those three funds.

Those of us on this side of the chamber actually take the squandering of those assets a little bit to heart, because when we came to office we inherited a $96 billion debt. People forget this, but it actually took us 10 years to pay down every cent of that debt. It was not until the middle of 2006 that all of that debt was gone. We balanced the budget, we repaid all the debt and we cut taxes. But in that situation, when you find you have a surplus, it is important to lock away Australia's good economic fortune into a fund. We set up the Future Fund. It is a sovereign wealth fund. I hear all this talk about how we should set up a sovereign wealth fund in Australia. We have one! It is called the Future Fund and you can only put money in it if you are running budget surpluses.

We have heard, we have seen and we have read that this government, with their sticky fingers, want to take $250 million away from the Future Fund. That is galling in itself, but, when you think that this government have not put a single dollar into the Future Fund, it is even more galling. We have heard the excuse from Senator Wong—in fact she could not even bring herself to admit that they had not put a dollar into the Future Fund—and it was, 'Well, you know, the global financial crisis; it is really tough.' But we have been hearing from this government how Australia is the envy of the world, how our economy is booming and how great we are doing. You cannot have it both ways. You cannot say the economy is booming but that we cannot run a budget surplus and we cannot find money to put into the Future Fund. You cannot have it both ways.

All I can think is that this government are just really unlucky. They were unlucky in 2008-09—unlucky budget deficit. They were unlucky in 2009-10—budget deficit. They were unlucky in 2010-11—budget deficit. They are going to be unlucky in 2011-12 as well—budget deficit. They are the unluckiest mob that you will ever come across. If you are in a lightning storm, do not stand next to any of these guys—you are not going to see the day out.

There was a salutary warning from a very insightful gentleman, the Hon. Peter
Costello, in his 2007-08 budget speech. He made this observation:

If you rob capital or earnings from the Future Fund, taxpayers will have to make up the difference.

I think he foresaw a day when we might have a government like this in place. It is also worth recounting the very reason for setting up this fund in the first place. Mr Costello said at the time:

The Fund is established and is well on its way. It will help pay entitlements to our soldiers, navy and air force personnel which must be honoured after they have retired and finished their service to the nation. The Fund operates as an accumulation fund and reinvests its earnings. It aims to meet its target by 2020.

We want to see that target met by 2020. We expect this government to honour that commitment. We expect this government to defend the fund as much as we did.

There is an important additional thing that the government must do in defending the fund—the term of the current chair of the Future Fund Board of Guardians, Mr David Murray, expires in six months and the government needs to outline the process of consultation the government will undertake when appointing a successor to Mr Murray to ensure the ongoing independence and integrity of that fund. It needs to recommit to protect this fund and it needs to make sure that the next chairman is someone who will stand up for it. (Time expired)

Question agreed to.

NOTICES

Withdrawal

Senator FURNER (Queensland) (15:28): Pursuant to notice given at the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notice of motion No. 1 standing in my name for nine sitting days after today for the disallowance of Instrument No. CASA EX48/11, made under subregulation 308(1) of the Civil Aviation Regulations 1988.

Presentation

Senator WILLIAMS: To move:

That general business order of the day no. 50 relating to the Environment Protection and Biodiversity Conservation (Public Health and Safety) Amendment Bill 2010 be discharged from the Notice Paper.

Senator XENOPHON: To move:

That the following bill be introduced: A Bill for an Act to require constitutional corporations that are grocery retailers to display producer prices, and for related purposes. Constitutional Corporations (Farm Gate to Plate) Bill 2011.

Senator DI NATALE: To move:

That the Senate—

(a) acknowledges the positive contribution made to Australian society by the Kurdish community;

(b) condemns the recent attacks on the Kurdish Society of Victoria, including an arson attack and shooting of their community centre; and

(c) calls on local and federal authorities:

(i) to investigate these attacks as a matter of urgency, and

(ii) to determine whether these attacks constitute a coordinated campaign of intimidation against the Victorian Kurdish community.

Senator WILLIAMS:

Senator BERNARDI:

Senator ARBIB:

To move:

That the Senate—

(a) congratulates Australian tennis player, Ms Samantha Stosur, on winning the United States (US) Open Tennis Championship; and

(b) notes that:

(i) she is the first Australian since 2001 to win a Grand Slam tournament,

(ii) she is only the second Australian female tennis player to win the US Open and the
first Australian female player to win a grand slam event since Ms Evonne Goolagong-Cawley at Wimbledon in 1980,
   (iii) she is a wonderful ambassador for Australia, and
   (iv) tennis is a healthy and enjoyable activity for sport and recreation.

Senator LUDWIG: To move:
   That—
   (1) On Tuesday, 13 September and 20 September 2011:
      (a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to 11.10 pm;
      (b) the routine of business from 7.30 pm shall be government business only; and
      (c) the question for the adjournment of the Senate shall be proposed at 10.30 pm.
   (2) On Monday, 19 September 2011:
      (a) the hours of meeting shall be 10 am to 6.30 pm and 7.30 pm to 11.10 pm; and
      (b) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

Senator MARK BISHOP: To move:
   That the Joint Committee of Public Accounts and Audit be authorised to hold public meetings during the sittings of the Senate, from 11.15 am to 1 pm, on Wednesday, 14 September and Wednesday, 21 September 2011, to take evidence for the committee's inquiries into the review of Auditor-General's reports, and national funding agreements.

Senator CAROL BROWN: To move:
   That the Joint Standing Committee on Electoral Matters be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 14 September 2011, from 9.30 am to 11 am, to take evidence for the committee's inquiry into the funding of political parties and election campaigns.

Senator CROSSIN: To move:
   That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 13 September 2011, from 5.30 pm, to take evidence for the committee's inquiry into the provisions of the Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011.

Senator PRATT: To move:
   That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 14 September 2011, from 12.30 pm.

Senator SINGH: To move:
   That the Joint Standing Committee on Migration be authorised to hold a public meeting during the sitting of the Senate on Monday, 19 September 2011, from 10.30 am to noon.

Senator STEPHENS: To move:
   That the Joint Standing Committee on the National Broadband Network be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 13 September 2011, from 6 pm.

Senator HANSON-YOUNG: To move:
   That the Senate—
   (a) notes:
      (i) the recent decision by the United Nations Human Rights Committee, that found the decision by the former Minister for Immigration and Multicultural Affairs, Senator Vanstone, to deport Mr Stefan Nystrom to Sweden in 2006, was in breach of the International Covenant on Civil and Political Rights,
      (ii) that Mr Nystrom speaks no Swedish and had no knowledge of any relatives there, and
      (iii) that as a result of his treatment, Mr Nystrom is now an inmate in a psychiatric institution; and
   (b) calls on the Government to immediately respond to the UN decision that found Australia had acted unlawfully in deporting Mr Nystrom.
Senator SIEWERT: To move:
That the Community Affairs References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 13 September 2011, from 5 pm.

Senator MOORE: To move:
That the Community Affairs Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 13 September 2011, from 5.15 pm.

Senator SIEWERT: To move:
That the Senate—
(a) notes that:
(i) trawling in the northeast area of the North West Slope Trawl Fishery off the Western Australian Kimberley coast was made possible due to an administrative error when the Western Australian and Federal Governments amended the Offshore Constitutional Settlement in 1998,
(ii) this error allows bottom trawling in areas shallower than 200 metres despite the fact that this is a critical habitat for goldband snapper and other species and has been off-limits to trawlers since 1980,
(iii) the ecological sensitivity of this area has been acknowledged in the Australian Fisheries Management Authority's correspondence with permit holders,
(iv) legislative instruments have been introduced prohibiting all fishing in the northeast area, but the most recent instrument expired in December 2010,
(v) since that time, the closure has been maintained informally by industry self-regulation,
(vi) negotiations between the Western Australian and Federal Governments to fix this error have stalled and the trawling industry has threatened to resume trawling in September 2011, and
(vii) a resumption of trawling in this area would adversely impact the benthos and fish stocks of this region; and

(b) calls on the Federal Government to permanently close this area to trawling by amending the Fisheries Management Act 1991 to ban fishing in the northeast area of the North West Slope Trawl Fishery in Western Australia.

Senator WATERS: To move:
That the Senate calls on the Government to implement an immediate moratorium on any new coal seam gas approvals until the long-term impacts of the industry on our groundwater, agriculture, rural communities, threatened species, the climate and the Great Barrier Reef are known.

Senator BOSWELL: To move:
That the Senate—
(a) condemns the intensification of the Global Boycott Divestments and Sanctions campaign being conducted against Max Brenner chocolate cafes;
(b) rejects this tactic as a way of promoting Palestinian rights; and
(c) commends New South Wales Greens member of parliament, Mr Jeremy Buckingham for asserting ‘that the tone and the public perception of the Max Brenner protests may be counter-productive to the cause of peace and human rights in the Middle East’.

Senator IAN MACDONALD: To move:
That the Senate—
(a) notes:
(i) the magnificent win at the United States Open Tennis Championships of Ms Samantha Stosur from the Gold Coast, Queensland, and
(ii) this is the first win by an Australian in this tournament since Ms Margaret Court Smith in 1971 and the first Australian tennis Gram Slam winner since Ms Evonne Goolagong-Cawley in 1980; and

(b) congratulates Ms Stosur on her courageous and historic win.

Senator IAN MACDONALD: To move:
That the Senate—
(a) notes the 60th anniversary of the establishment of national service in Australia in 1951;
(b) congratulates the organisers of the 60th anniversary celebrations held in Townsville from 8 September to 11 September 2011;
(c) acknowledges the contribution of Australia's national servicemen who served the nation from 1951 to 1972; and
(d) recognises the exemplary service of the 'Nashos', alongside their regular army, navy and air force colleagues, during the Vietnam War and other conflicts.

The DEPUTY PRESIDENT: Senator Macdonald, in relation to your first notice of motion I have been advised that the President will need to check for the conformity of that notice.

Senator Ian Macdonald: I am sure the President, as a Queenslander, will not have any objections.

BUSINESS

Leave of Absence

Senator KROGER: by leave—I move:
That leave of absence be granted to the following senators:
(a) Senator Adams from 12 September to 16 September 2011, for personal reasons;
(b) Senator Fisher for 12 September 2011, for personal reasons; and
(c) Senator Payne from 12 September to 23 September 2011, for personal reasons.

Question agreed to.

Consideration of Legislation

Senator JACINTA COLLINS: At the request of Senator Ludwig, I move:
That the following list of general business orders of the day be considered under the temporary order relating to the consideration of private senators' bills on Thursday, 15 September 2011:

No. 44 National Broadband Network Financial Transparency Bill 2010 (No. 2)
No. 60 Carbon Tax Plebiscite Bill 2011 [No. 2]
No. 51 Environment Protection and Biodiversity Conservation Amendment (Bioregional Plans) Bill 2011.

Question agreed to.

COMMITTEES

Scrutiny of New Taxes Committee

Meeting

Senator KROGER: by leave—At the request of Senator Cormann, I move:
That the Select Committee on the Scrutiny of New Taxes be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 13 September 2011, from 1.45 pm.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

Government business notice of motion no. 1 standing in the name of the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) for today, proposing an amendment to standing order 18, postponed till 22 September 2011.

General business notice of motion no. 227 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 13 September 2011, proposing the introduction of the Protecting Children from Junk Food Advertising (Broadcasting and Telecommunications Amendment) Bill 2011, postponed till 19 September 2011.

General business notice of motion no. 335 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 13 September 2011, relating to News International Limited, postponed till 14 September 2011.

General business notice of motion no. 383 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 13
September 2011, proposing the introduction of
the Telecommunications (Mobile Phone Towers)
Bill 2011, postponed till 20 September 2011.

MOTIONS

Suicide Prevention

Senator WRIGHT (South Australia)
(15:34): I seek leave to amend general
business notice of motion No. 382 standing
in my name.

Leave granted.

Senator WRIGHT: I, and also on behalf
of Senators Moore and Humphries, move the
motion as amended:

That the Senate—
(a) notes that:
(i) 10 September 2011 was World
Suicide Prevention Day,
(ii) 15 September 2011 is R U OK? Day, a
national day of action which aims to prevent
suicide by encouraging Australians to connect
with friends and loved ones to address issues that
may lead to suicide,
(iii) suicide is preventable,
(iv) the whole of government and the
whole of the community have a responsibility to
prevent suicide, and
(v) suicide prevention is everybody's
business;
(b) recognises that:
(i) suicide occurs throughout all sections
of Australian society,
(ii) in 2009, 2 132 Australians died of
suicide, over three-quarters (76.6 per cent) of
whom were men,
(iii) middle and old age are times of
greater risk, while suicide remains the single
biggest killer of people under 35,
(iv) suicide attempts are estimated to
number 65 000 a year, with devastating physical,
emotional and social outcomes, and
(v) suicide has immeasurable human,
 social and financial costs; and
(c) calls on the Federal Government to
continue making suicide prevention a priority.

Question agreed to.

COMMITTEES

Privileges Committee

Senators' Interests Committee

Senator KROGER: I move:
That the Committee of Privileges and the
Committee of Senators' Interests may confer on
the latter committee's reference into a draft code
of conduct for senators.

Question agreed to.

MATTERS OF PUBLIC
IMPORTANCE

Asylum Seekers

The DEPUTY PRESIDENT: The
President has received a letter from Senator
Fifield proposing that a definite matter of
public importance be submitted to the Senate
for discussion, namely:

The Gillard Government's failure to find its
way and implement a proven and effective border
control and protection policy.

I call upon those senators who approve of
the proposed discussion to rise in their
places.

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

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

Senator SCULLION (Northern
Territory—Deputy Leader of The Nationals)
(15:36): I think all of us in this place can
recall a pretty significant day in the diary of
this parliament, 24 June 2010, when Julia
Gillard, the now Prime Minister, and Labor
deposed for the first time a first-term Prime Minister, Kevin Rudd. They said that the government had lost its way. Obviously, this was Kevin '07's fault. It was a case of: 'We'll just cut his throat and slide him aside, and we're going to get back on with the job of fixing this up.'

The DEPUTY PRESIDENT: Order! Senator Scullion, you must refer to members of the other house by their correct title or their correct name and salutation.

Senator SCULLION: I withdraw. There could be no more visible example of how badly they had failed at that stage than their border control and protection policies. When Kevin Rudd and the Labor Party won government in August 2007, I think people all around the world would have looked to the policies that the coalition government had put in place. You could say from a comparison of those policies with those of any other government that they had been a very, very effective suite of policies.

I came to this place in 2002, and I recall that in that financial year 3,039 people had arrived in 19 boats. There were 54 the year before and 75 the year before that. Certainly, it was a very serious circumstance and we needed to address it—and we did. We introduced temporary protection visas. We made sure that there was offshore processing. There were a number of regional agreements to interfere with the process of people smuggling, and they worked. This is not just on my say so. The statistic that shows this most starkly is when we went from 3,039 people in 19 boats to zero people and zero boats. I think the reason for the spotlight on us from international communities was that they were working very hard against criminal organisations engaged in people trafficking and they were looking very carefully at Australia as an example of how well they had done.

Of course, when the then Prime Minister, Mr Rudd, took over as Prime Minister of Australia, Labor simply thought the problem was solved and that they would get straight on with the job and say: 'Don't worry about those policies. After all, our motive is not that we need to protect Australia and the people who are refugees around the world from the pressures of international people smuggling. What we want to do is to make sure that we have some electoral benefit. It is not a problem for us. Things are solved in that area. The process of preferential voting means that we need to toss up whether we think about this nation's interests or whether we think about the electoral interests of the Labor Party.' Here comes the nub: the Greens and the Independents were talking about having a more compassionate approach. All the wisdom around the world said: 'No, don't do that. This is a really good set of policies that protects people, that looks after people and that ensures they don't make this very, very ugly voyage to Australia.' Immediately the policies that were in the interest of the Australian Labor Party were implemented, the border protection that was in the interest of this nation was destroyed.

For those in this chamber and for those outside it who are listening, this is always the problem with Labor. It goes to motive. Why do you do a thing? Why do you have a policy? Is it in the interests of the Labor Party or is it in our national interest? I think more and more Australians are starting to put the ruler of motive across the policies that we see rolled out by those opposite.

So the trade was back on. I do not know how many times I have sat in here and heard the Leader of the Government in the Senate, Senator Evans, say: 'No, no, it's not our policies that have changed it. Something odd is happening in Europe. Something odd is happening somewhere else.' Perhaps something is happening with the climate—I
am not sure, because there have been a whole range of excuses. International policy makers everywhere have clearly understood that if you change this policy the consequence is a major rush of vessels. We saw that from the time Labor took over in 2007. We have gone from three boats straight up to 1,033 people in 22 boats, to 5,604 people in 117 boats and, in 2010-11, 4,949 people in 89 boats. That is a staggering endorsement of those people who said, 'When you change this policy, there will be a consequence.' Because those opposite have put their grubby paws on preferential voting for the interests of the Labor Party, they have deserted the interests of this nation.

So we now have the situation where there are some 15 million mandated refugees around the world. As an Australian, my heart, like every Australian's, goes out to them. These are sometimes stateless people. There are 15.4 million people looking for somewhere else to be. So Australia decided that, rather than act as a single nation or country, it would be part of a group of countries—in fact, part of the United Nations process—to identify those most in need. Australia takes around 13,500 refugees, of which half are taken as the highest priority refugees in the world. A very small percentage of the 15.4 million require a refugee outcome. The UNHCR decides who those people are. At the moment, they come from the Horn of Africa. People which find themselves in camps like Kakuma in the Horn of Africa well know the reason they have been chosen as the most in need. It is that they live in the most horrific circumstances. Their life expectancy is so low compared with that of refugees in other parts of the world. I have had some staggering statistics put to me about this. Children who are under four years of age have, for a period of time, a life expectancy of less than six months. That is why they are on the priority list. That is why those people must be a priority in coming to Australia.

Importantly, the other half of the 13,500 refugees are part of the family reunification humanitarian scheme which ensures that those who are part of the refugee diaspora—after they have been flung around the countryside—are able to come together again, to join up as a family again. They are able to join their families in Australia. That is our contribution, and it is a very large contribution compared with the size of our population. Under Labor's new arrangement, we now have people coming from all over the world. If you can afford the $8,000 or $10,000 per head to get here in a boat then you have jumped the queue. The people who will not be coming here are the 6,000-odd people who are part of the family aspect of that demographic. They will not be coming here because their places have been taken by boat people—people who have simply come here. Originally, under the coalition, we sent a clear message: do not come here by boat; if you do you will be treated in exactly the same way as the place from which you left. So people stopped coming. The previous Prime Minister, Mr Rudd, came and said: 'Look we're going to change all that. We've sold our souls to the Greens—to the devil.' That is why we have this situation. Julia Gillard, the current Prime Minister, took her place and said, 'We've lost our way: we've lost our way on border protection, we've lost our way on the carbon tax, we've lost our way on the mining tax.' But, most importantly, as an iconic process, they have lost their way on border protection. Well, hello! We know that, but they said they would fix it. Kevin Rudd failed because he simply was thinking more about the interests of the Labor Party. Julia Gillard seems to be failing because she is more interested in the interests of the Labor Party than in the interests of Australia and Australians.
If you want to think about compassion—and as somebody said, it is the coalition and those interested in a tough border protection policy that send the clear signal: please do not put the lives of your families at risk; the UNHCR will decide who comes to this country—then think for a moment about the men and women, but mostly about the women and young children, in places like Kakuma. If you are compassionate, then every time we weaken a policy think about their lives and how short their lives are. This Labor Party stands absolutely condemned for putting its interests and its political motives—their relationship with the Greens—above the national interest.

Senator THISTLETHWAITE (New South Wales) (15:46): Immigration and border protection policy is an area of public policy that is very important, very complicated and detailed. But it is also an area that requires leadership to develop and implement a policy that ensures our nation meets the international commitments to which we are a signatory, including our humanitarian obligations under the United Nations conventions dealing with the treatment of refugees. It requires leadership to ensure a policy that provides an effective deterrent to the insidious trade of people smuggling and playing on the lives of the vulnerable and asking them to risk their lives on the high seas in unsafe and unseaworthy boats. Countries benefit from a multipartisan or a bipartisan approach to dealing with issues such as this.

Today's matter of public importance demonstrates, on behalf of the coalition, a complete lack of leadership on this important issue, an inability to analyse the recent decision of the High Court and an unwillingness to work with the government and implement a workable, effective and long-term policy solution to what is a difficult and very complex area of public policy. In the wake of the High Court's decision, Tony Abbott said:

I think that our country should have the best border protection policy that the government of the day thinks that it needs and I'm [pleased] to work constructively to give the government, to restore to the government, the option of third country offshore processing which it says the High Court and the Solicitor-General have denied to it.

When we heard that quote from the Leader of the Opposition, those on this side thought, 'Finally we have some logic, finally we have some thoughtfulness, finally we have a constructive approach to what is a very difficult policy area, and finally we have some leadership from the coalition.' We welcomed the commitment from the Leader of the Opposition. We provided a departmental briefing and we provided access to the experts regarding both the immigration issues and the legal issues associated with the High Court decision. In that briefing, the Leader of the Opposition was told of the High Court's judgment and the new interpretation of the law that the High Court had given to this issue. In that briefing, the Leader of the Opposition was told of the legal advice from the Solicitor-General, which cast further doubt on offshore processing of asylum seekers—wherever that may be. Indeed, the past declarations of Nauru under the Howard government would, in all likelihood, have been invalid under this decision of the High Court.

The Leader of the Opposition was also informed that a legislative response is required—that is, an amendment to the Migration Act is required to ensure that our country has an effective long-term policy to deal with this very difficult policy issue. A number of days after the comments of the Leader of the Opposition, he began backing away from them. He began to say that he
opposed a bipartisan approach to this. He resorted to type on this particular issue, he resorted to the opposition's policy of Nauru. He ignored the departmental advice, the expert advice, of those who have worked in this particular policy area for many years. In particular, he ignored the advice of the head of the department, Andrew Metcalfe, who, I note on Friday last week, former immigration minister in the Howard government Amanda Vanstone described as a 'first-class public servant'. Well, the Leader of the Opposition has ignored his advice showing a complete lack of leadership on this issue. In the wake of the High Court's decision, the government did what any good government would do—reacted quickly. We considered the advice of the departmental experts and the legal experts. We consulted the opposition and other groups in society and, indeed, the executive consulted government MPs this morning. We have developed a legislative response that will overcome the difficulties identified in the High Court's decision. This legislative response will ensure that we continue to meet our international obligations in this policy area yet, at the same time, provide a very effective deterrent to people smuggling and stop people smugglers trading on the vulnerability of those seeking a better life by asking them to get on unsafe boats and undertake unsafe journeys.

The government has developed such an approach in consultation, based on the advice of experts. Yet the opposition come in here today and raise a matter of public importance in which they claim that the government has failed to find its way on this important policy issue. The only ones who have failed to find their way on this important policy issue are the opposition. Despite the advice of experts, first class public servants and the government's legal advisers in the wake of the High Court decision, they refuse to move away from their commitment to a policy that has been demonstrated not to work. It will not provide an effective deterrent. Experts have advised the government that it will not work. Indeed, 95 per cent of those who were housed on Nauru, who were found to be genuine refugees, ended up in Australia or New Zealand. This policy is not an effective deterrent.

What is needed to deal with this issue is a regional architecture with regional consultation. We need to work with our neighbours to ensure that in our region there is an effective deterrent to people smuggling that allows a nation such as Australia to ensure it meets its international commitments and gives priority to those in need. Many of those have been mentioned in the Senate today—those in the Horn of Africa and in Burma, some of whom have been waiting in camps for 16 to 20 years.

The government's policy will ensure that we meet those international commitments yet provide a sensible, logical approach to the trade of people smuggling and an effective deterrent. The government has offered the opposition a commitment to work in a bipartisan manner on this issue. On several occasions we have said to the Leader of the Opposition, Tony Abbott, and the relevant shadow spokesperson that we will work in a bipartisan manner and that this issue requires a legislative response. That legislative response will ensure that we provide an effective deterrent to people smuggling and continue to meet humanitarian commitments that our nation has pledged to meet in a manner that will see priority given to those in need. The government stands ready and willing to work with the opposition on this important issue. We oppose the claim by the opposition in the Senate this afternoon that the government has lost its way on this issue. The opposition has lost its way on this issue. (Time expired)
Senator CASH (Western Australia) (15:56): Senator Thistlethwaite questioned the need for this matter of public importance discussion today. I have to remind Senator Thistlethwaite: you were at a caucus meeting this morning when your own party was fighting over the absolute disarray in which your government has put border protection in Australia. Did you not read the headline in the paper today: 'Showdown: Labor rebels rally to sink Gillard's offshore asylum seeker solution'? You question why we have come in here today and raised this as a matter of public importance. Go and have a bit of a chat with Senator Cameron. See how Senator Cameron is feeling today. Have a chat with Senator Marshall. See how Senator Marshall is feeling today.

Listen to the talk that is going on in the corridors because, as a result of 24 June last year, which is now fondly known as 'execution day', there is a very good chance that the Australian public is going to revisit that day. Why? Because the Prime Minister who replaced Mr Rudd said at the time: I accept that the government has lost track. We’ll get it back on track. I have taken control for precisely those purposes.

What an absolute joke! What did she take control of? She took control of what was a complete, total and utter mess on that side. Lo and behold, she has managed to make it even worse.

The 'current' Prime Minister—and I use that word very loosely, as I know many on the Labor side of politics do—has also gone on the public record asking the public not to judge her on the way she became Prime Minister but on the job that she is doing. If the latest Newspolls are anything to go by, from the rumours in the corridors of Parliament House—and we all know what those rumours are; in fact, lo and behold, Senator Farrell walks in right on cue—the current Prime Minister is about to become the former Prime Minister.

In relation to so many policy failures, this is possibly the greatest policy failure of the Gillard Labor government. Who can forget Ms Gillard's catchcry when she was the shadow minister for immigration, when she used to say to the opposition if another boat arrived under our watch, 'Another boatload, another policy failure.' That was her mantra. I ask those on the other side: now that the Prime Minister has notched up a century, in that 100 boats have now arrived on our shores under her watch—and that is not a century to be proud of—what is the level of policy failure that is currently engulfing the Prime Minister of Australia? Put aside what I have to say as a coalition senator. You all expect me and all of us on this side to come into this place and criticise you. Let us have a look at what members of the Labor Party—members of the current Gillard government—have to say about the Prime Minister's mess when it comes to border protection. Senator Mark Bishop, a Western Australian senator, said to the Australian online when he was commenting on the government's mishandling of its botched Malaysia solution that the 'very existence of the government itself' was threatened. And he did not stop there. He went on to say:

There appears to be continuing lack of accountability, ministers don't seem to take responsibility for their own decision-making and consequences.

The Australian public must be fully confident of the ministers on the other side when their own Labor senators are doubting their own confidence.

But let us not stop there. Let us look at the House of Representatives. Let us see what Labor MP Graham Perrett said about the government's botched border protection policy. He said that the government needs to take time to get the policy right. You have
got to be kidding me. Haven't we on this side listened to you bleat on and on and on for what is now turning into years that you had the policy right? And you had it wrong all the time. You had it wrong on every single occasion. One of your own members in the House of Representatives has at least now had the guts to stand up and say to the people of Australia that the government needs to take the time to get it right—an outright admission that when it comes to border protection policy this government is an absolute failure.

But it does not stop there. Another Labor senator, Doug Cameron, who is the convener of the left-wing group of the Labor Party, is on the record as saying that all of those who sit around him in the Senate have become 'political zombies', too scared to speak their minds. And what did he say about the Malaysia solution, which the Gillard government today reaffirmed itself to, despite the legal advice? Senator Cameron said that the Malaysia solution was no solution at all. That is a Labor senator saying that. And I understand Senator Marshall was not far behind him. That is two Labor senators who have stood up in caucus and said that the Malaysia solution is no solution at all.

Yet we come into this place today and are subjected to unity on the Labor side of politics: the Malaysia solution is going to stop the boats. I hate to tell you this, but it has not stopped the boats yet. They continue to arrive. In fact, if you go back to your offices you will probably find that another one has arrived. But the 100th boat under Prime Minister Gillard's watch arrived post the Malaysia announcement. It is interesting that since I have been in this place there has been this constant tension between the left and the right of the Labor Party. Today we see, yet again, the Left coming in, all built up. And yet again they have to roll over. Senator Cameron and Senator Marshall have had to roll over. They have had to have their little tummies tickled. They have had to be told to be good boys and come in here and tell this place to tell the Australian public it is a solution, when they are on the record as saying it is the complete opposite.

In addition to that, let us have a look at what the newspapers are saying about the Gillard government. If any senator wanted confirmation that the Gillard government's policies are not working and that there is massive dissension in the Labor Party ranks, they need only look at a snapshot of the headlines from the last 24 hours. The first one is 'Labor could win if Rudd returns', in Adelaide Now on 12 September. I would like to know Senator Farrell's views on that, quite frankly. Were you the unnamed source, Senator Farrell? If you were, put your hand up now. The second headline is 'PM facing Malaysian deadlock', in the Australian on 11 September. Then there is 'Emergency talks to head off shift to Rudd', in the Courier Mail on 10 September; 'Julia Gillard seeks action as smugglers close in', in the Australian on 10 September; '100th boat on Labor's watch', in the Daily Telegraph on 10 September and '100th asylum seeker boat arrives for Julia Gillard', in Adelaide Now on 10 September. I could go on and I could go on and I could go on.

Senator Farrell: Please don't!

Senator CASH: Such is the extent of the failure of this government when it comes to border protection. I see Senator Farrell is laughing. I have to say to Senator Farrell, as someone who had his little paws all over 'Execution Day' a year and a half ago: if you thought it was bad under Mr Rudd, what do you honestly think now? This is a Labor Party that is in a complete, total and utter mess when it comes to so many of its policies, not least of which is border
protection. Again, it is not just us on this side of the chamber who think that. The House of Representatives itself condemned the Malaysia deal. A motion was passed in the House of Representatives condemning the Gillard Labor government. And who supported that motion? Adam Bandt did—Adam Bandt, who as we know is in alliance with the government. The Independents Andrew Wilkie and Bob Katter, whom the government has to rely on for support, actually supported the motion, despite the Prime Minister's pathetic protestations. Under Prime Minister Gillard, Labor has an appalling record when it comes to protecting Australia's borders.

The DEPUTY PRESIDENT: Before I call Senator Polley, I remind all senators to correctly address members of the other house.

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (16:06): Quite often we come into this place and have to speak on trivial and irrelevant matters of public importance, such as the one that has been put forward by the opposition. It really hurts me to have to say this about my colleague Senator Cash, but to be fair to her she often comes in here and rants. But that was one of the most disappointing rants I have heard to date from you. It was a rant from one extreme to the other, talking about leadership, about misleading the public—as if those people on the other side are saints.

We won't talk about the disunity within the Liberal Party, will we. We will not talk about the disunity in their camp between Turnbull and Abbott. We will not talk about those sorts of issues. We won't talk about those opposite misleading the Australian community. We won't talk about issues to do with polling. The only time they talk about polling is when they are showing their natural arrogance, the arrogance that they demonstrate in this place on a daily basis in their belief that they were born to rule. They have never accepted the fact that they lost the 2007 election. They do not accept that they lost the last election.

Senator Williams: You didn't win the last one.

Senator POLLEY: We did. We are sitting on this side of the chamber because the Prime Minister of this country negotiated the outcome that put us on the government benches. She was unlike Mr Abbott, who was quite prepared to throw billions of dollars at anybody who was prepared to support Abbott in government. That is the difference with those on the opposite side.

The DEPUTY PRESIDENT: Order! Senator Polley, I did remind the Senate about using the correct title to address members of the other house. It has happened on both sides of the chamber today. I will call a point of order on every occasion on which people are not referred to correctly, so please refer to people by their correct titles and not just by their surname.

Senator POLLEY: I take that on board. Using Mr Abbott's correct title I will re-state that he was prepared to pay whatever price it was going to take to get on the government benches.

But let's talk about this MPI. As a signatory to the 1951 United Nations convention and the 1967 protocol, Australia, the USA and Canada are the three highest recipients of humanitarian refugees in the world and have been for many years. This government is no different at all. The Howard government's legislative provision section 198A(3) was tested in the Federal Court, which endorsed offshore processing of asylum seekers. The High Court has reinterpreted the legislation and although we the government are disappointed we accept the High Court's decision. The government
has already acknowledged that legislative change would be needed to put offshore processing beyond doubt. That is what our publicly released legal advice shows.

The Labor government has accepted that there are three issues: first, to break the people-smuggling business model you need to have a significant disincentive in place and take away the product that they are trying to sell; second, you need an orderly migration program to consider all humanitarian claims; and, third, we need acceptance of genuine humanitarian refugees in line with our long-term commitment. Of these issues, the Australian government has a very positive position on the acceptance of humanitarian refugees. There can be no question that this will continue, and the increase to 14,750 signals that this is so.

But the government is committed to breaking the people-smuggling trade. We are committed to deterring people from taking these dangerous trips in boats that are rarely seaworthy. We are concerned about their welfare. We are concerned about the women, children and men who set sail for a better life. We are committed to orderly migration programs. To break the people-smuggling trade an adequate deterrent is needed. If this were not the case why would the coalition have resorted to the Pacific solution? The coalition has always supported offshore processing of asylum seekers but, in keeping with their mantra in opposition, they are about opposing, opposing and opposing.

So, what is this motion about? It is about the fact that they are unable to accept the harm done to refugees on Nauru. Ninety-five per cent of the people were resettled to Australia and New Zealand, many suffering from serious mental conditions. They were unable to accept that the cost of reopening Nauru would be about $1 billion over four years, and that does not include the inevitable infrastructure costs. I can remember pictures of Tony Abbott at Nauru looking into a classroom pretending it was a detention centre. We know, and so does the opposition, that the processing centre in Nauru is not available for use. There is no offshore processing centre ready for use in Nauru. That is a fact. And is there anything on Nauru that would be ready for use to process 200 or 300 people? The processing centre was dismantled and the remaining infrastructure given to the people of Nauru. That is a fact. While Nauru signed the instruments of access to the refugee convention in June this year, it does not currently have legislation for determining refugee status determination and it has no experience in undertaking refugee status assessments. Nauru is isolated, and, with redevelopment, its costs would be very expensive. The opposition have been briefed by officials. Mr Abbott knows that Nauru will fail. It is not just us providing the briefing to Mr Abbott and the opposition; it is the officials, who have made it very clear that Nauru will fail. Nauru will not stop the boats. The government is committed to the Malaysian solution. This, combined with a commitment to Manus Island, will achieve the outcome that this government is looking for. The message will be: if you take a boat to Australia, you will be returned to Malaysia and processed with the 90,000 other asylum seekers and refugees waiting there. Malaysia willingly entered into this agreement, acting in good faith. The UNHCR has repeatedly said the government's Malaysian transfer arrangement was workable. The UNHCR was engaged and consulted throughout the process by Australia and Malaysia and very much helped to shape the final arrangement.

Christmas Island is an important immigration facility for this government. It also provides significant benefits for the
local community, including improved infrastructure and significant employment opportunities. Meanwhile, we have Mr Abbott flopping all over the place, flip-flopping as usual. Over the last week he committed to an act of good faith, then ruled it in and then ruled it out: 'I am not ruling anything in and I am not ruling anything out.' Who does that remind me of? This change in attitude towards working positively and constructively was welcomed, but what do we find? We find, as usual, Mr Abbott going back on his word in an article in the Conversation titled 'The vexed question of onshore processing and possible civil unrest':

If we go back to 2007 when then Immigration Minister Andrews targeted Africans, particularly Sudanese, as impossible to assimilate, that caused a significant drop in public support, particularly in Victoria, towards the settlement of refugees. It wasn’t the refugees who caused it, it was the public statements of hostility from leading political figures. As it turns out African refugees (rarely if ever boat arrivals) have proven to be generally law abiding, hard working and passionately attached to the Australia that has given them the precious gift of freedom.

I could go on and on, but what I want to put on the record is that this government is a compassionate government. We will treat refugees with respect. We will ensure that in whatever measures this government takes—and the Malaysian solution is part of that—we will endeavour to do all that we can to stop the boats. Those opposite would not accept anything this government puts forward on this issue. *(Time expired)*

**Senator BACK** (Western Australia) (16:17): What a disgrace. What an absolute disgrace we are confronted with today: the complete and utter failure and inability of this government, led by this Prime Minister, to protect our borders. This Prime Minister is the all-rounder of failed border protection, the very person who as the shadow minister for immigration, on the rare occasion she was able to do so, would get out of the policy and say, 'Another boat, another failed policy.' And what do we have now? We have another boat, another 100 policy failures. Ms Gillard, the current Prime Minister, has now made her maiden test century. She is the Shaun Marsh of failed asylum seeker policy. The big question, of course, is whether she will go on to do more than 151 runs, as Shaun Marsh did the other day in Sri Lanka.

But of course Prime Minister Gillard is not restricted to being a batsman; she is a bowler of the most hapless form, the hapless hat-trick. What were her three failures? Firstly, there was her failure to stop the arrival of asylum seekers; secondly, her abject failure of the so-called East Timor solution; and, thirdly and most recently, her failure in the Malaysia solution. How inconvenient are umpires when you are completely and utterly afield as a cricketer! It is far too serious an issue to be dealt with like this.

I was in East Timor, in Dili, only five weeks ago and one of my purposes was to try and establish what I thought of the prospect of us joining with East Timor to set up an asylum seeking facility there. You would only have needed to visit to find it would not work. Those of us who have lived and worked in Malaysia, particularly under the then prime ministership of Mahatir Mohamad, would know the way in which illegal immigrants were dealt with by the government—off the end of the cane, off the end of the stick. It would be no different.

Earlier this afternoon we heard my colleague Senator Scullion referring to the 15.4 million refugees around the world. We know, as a result of the discussions over Malaysia, that more than 90,000 genuine refugees are rotting in asylum camps and refugee camps in Malaysia, and we know the
story of the Horn of Africa. I have made the observation in this place before, and I believe it to be true, that there is a high degree of corruption in the actual refugee camps, where people who are legitimate refugees accepted by this country get somewhere near the top of the queue but never, ever get a guernsey. Why? Because of the corrupt payments that are going to those who manage those refugee camps from others who jump the queue and suddenly find their way. I have not yet seen any action taken by this government to investigate that shocking scenario to see if it is true.

The worst feature of the failure of this government is the increased number of unaccompanied children who are being put on these leaking, rotting wooden fishing boats and put to sea under the most horrific conditions—and we are doing nothing about it. I have reflected on a more generic term. If you wish to try and smash the business model of somebody else, how do you go about it? In this case, of course, it is the so-called business model of the people-smugglers—one which, incidentally, Prime Minister Howard and his then immigration minister, Mr Ruddock, were very successful in smashing. But, as we all know, the Howard government inherited a problem and found a solution. They handed it to the then Rudd-Gillard government, who picked up that solution and turned it back into a problem.

If you want to smash the business model of an opponent, what are your options? The first one is to compete on better terms. Only last week we saw Clarke and Dawe parodying this situation, ridiculing this government, talking about the fact that we brought Irish and English immigrants and even convicts here in the 1700s and 1800s. Brian Dawe even asked the question of John Clarke, parodied as Treasurer Swan: 'Why don't you have a weekly ship or a monthly ship out of the Middle East?' That is the stupidity of that particular circumstance.

The second thing you would do is to make the business illegal and successfully prosecute the perpetrators. This draws me to an article in the Age on 30 August. We now see in Melbourne that Victorian Legal Aid lawyer Saul Holt is telling us that they are appealing to the chief judge of the Victorian County Court to overturn the crime of people-smuggling based on the fact that although these people, the asylum seekers, have no visas they will argue that under international and Australian law genuine refugees seeking asylum from persecution should not in fact lead to people-smugglers being charged. What are we going to do—give them medals? What is interesting is that this is in Victoria. What is the proportion of people-smugglers that end up in Victorian prisons? I can tell you that it is very few. But I can tell you the answer for Western Australia, as my colleagues would know. We have 130-plus in Western Australian jails at the moment either awaiting trial or who have been dealt with, costing the Western Australian taxpayer $100,000 each a year, in excess of $13 million a year. So here is the success of my second item of the business model, making it illegal. Victorian Legal Aid do not want to make people smuggling illegal. They presumably want to put it on a pedestal.

The third that I would suggest to you if you are trying to smash the business model is convincing the consumers that the product is unattractive so that they do not want to buy it—in other words, so they do not want to come here. Taking the opposition out of the market is another option. But the fifth one—and I will deal with the third and the fifth together—is to completely change the product, change it completely, so that the consumer is disinterested.
It was in 1954 that Australia signed up to the UNHCR. That is nearly 50 years ago. Surely the circumstances have changed in the world—

Senator Farrell: Fifty-seven.

Senator BACK: Thank you very much. I appreciate that, Senator Farrell. I know Senator Farrell's capacity for numbers and I would always defer to him on that particular element. But surely the circumstances from post Second World War Europe, Australia and Asia have changed such that it is time that we revisit that entire situation.

I look at what the Howard government implemented by way of finding its solution. The first measure of course was temporary protection visas, to give that level of protection to those people until such time as conditions in their home countries were such that they could safely be returned. That is something that should never, ever have been discontinued. On the Nauru solution, we hear that bleatings of Senator Carr and others saying that it never worked. The point was that it took the oxygen away from the people-smugglers. The people-smugglers could not advertise in their evil ways in Sri Lanka, Afghanistan, Iraq and other places that people coming to Australia would get to Australia. That was the point of Nauru, and it worked. It is interesting that Nauru was run by Australians. It would be most interesting to see what the outcome would be.

The other thing we did under the Howard government was forge a strong, positive relationship with Indonesia. Think back to the tsunami when this country sent $1 billion to the people of Indonesia at a time when their Islamic brothers in the United Arab Emirates could only come up with $1 million—and only when it was shamed afterwards did Saudi Arabia kick the can to some very limited effect. What we see in this country now in the circumstances of our relationship with Indonesia, which I will not dwell on today, is a very upset relationship with that country. What level of cooperation is Australia likely to get with the government of Indonesia at the moment on matters associated with asylum seekers and border protection given the fact that we treated them so harshly in the months of June and July this year?

The Howard government eliminated the pull factors. Even Minister Bowen has accepted at the moment that what we have done in this country is create those pull factors and we are going to continue to see an increase in the numbers to come. Then Minister for Immigration and Multicultural Affairs Philip Ruddock said the safest thing to do was to keep people off the boats. This government has failed. This government is unable to protect Australia's borders. It must go.

Senator FURNER (Queensland) (16:27): I rise today to make a contribution to this debate about migration as well. I want to, firstly, indicate that it is one of those areas that I have spoken about on numerous occasions in this chamber and it is an area that needs to be critiqued in respect of what it is about.

Before I get to the relevant points, I want to make comment on some of the previous contributions from speakers from the opposition. Firstly, Senator Scullion spoke about the Horn of Africa. There is a terrible situation happening over there. That is why
we need sympathetic and reasonable management of how we protect our borders and deal with those poor souls who come from situations that we are aware of in the Horn of Africa.

Senator Cash spoke about reports of headlines in the newspapers about what is happening in our caucus today. Yes, there was a caucus meeting today where methodically and reasonably the members of the Labor caucus worked through a process of discussing this issue. At the end of the day, we worked up and supported a solution that will see an outcome of presenting legislation to the House of Representatives and eventually to this chamber for a resolution on how we deal with migration.

It really astounds me how not just Senator Cash—I do respect Senator Cash; she is a good performer from the opposition—but in general most of those people in the opposition here will tend to rely on the media. I guess that is why there is a campaign out there currently wanting some reform in the media. I will give just one example of why you cannot always rely upon the media. Just last week, I was quoted in the Age as having made some comments about the introduction of or the support for the Nauru solution. It was not even me in the photograph; it was a colleague. That clearly demonstrates that those opposite should never rely upon media headlines in the newspapers.

We know that there has been a High Court decision in relation to our Malaysia solution, which has been dealt with. Subject to that decision, we need to work out future positions on handling migration and border protection. That is why, in caucus today, we had a discussion dealing with this particular issue. The High Court judgment established a new interpretation of migration law, which is why we need to work through a process of managing this. Legal advice from the Solicitor General cast further doubt over offshore processing of asylum seekers, wherever it might occur. It could be anywhere in the Pacific that we as a government decide in the future to deal with this issue. Indeed, talking about Nauru under the Howard government, the Solicitor-General has indicated that, most likely, that decision would have been invalid as well. This is an opportunity for the opposition to work with us in a bipartisan way to make sure we get a solution, because one day in the future they may be in a position where they might be in government and they will need to deal with this issue.

Senator Back: We've dealt with it before.

Senator FURNER: There is no use in playing politics on this issue, Senator Back. You need to deal with migration in a methodical, reasonable and responsible manner, rather than coming up with cheap slogans like, 'We will stop the boats.' You know, Madam Acting Deputy President, that I, as chair of the defence subcommittee, take a strong interest in defence matters. It was only last year, in July, that I was very fortunate to be on the parliamentary defence program at the border protection command in Darwin. On that day, it was actually the day on which the Prime Minister was on HMAS Bathurst, we went out into the harbour and saw firsthand how our hardworking, professional men and women on that ship deal with this issue. Low and behold, one of the opposition members of the House of Representatives, the member for Dickson, just had to ask the question. You do not have to be a rocket scientist to work out what the answer would have been to his question, which was: 'Why don't we just stop the boats? Why don't we just turn them around?' We are in the middle of the ocean somewhere, we cannot see land for miles
around us, and here is the member for Dickson asking a stupid question like that. I knew what the answer would be, and sure enough it was: 'If you go around trying to stop the boats, the first sign of an Australian naval patrol boat will result in those people drilling holes in their hull, damaging their engines or do anything they can to make sure they are rescued.' We are dealing with desperate people. We are dealing with people who are coming from areas where they are persecuted, or where there is war or conflict, and you have these grubby people-smugglers getting them over here in any possible way, shape or form, whether it be in a leaky ex-fishing boat, whatever the case may be, regardless of its condition. We all watched, sadly, on our TVs last year as SIEV221 smashed up against the rocks on Christmas Island. I do not want to see that scene again and I am sure everyone in this chamber feels the same. That is why we need to work together on a solution to this issue.

Regardless of what the opposition does when this legislation comes into the parliament, it needs to reflect on its position, because at some stage in the future it will need to deal with this. It is not a case of coming up with cheap political slogans such as: 'We will stop the boats,' or 'We will pick up the boat phone and ring someone in Canberra who will deal with this issue.' You need to work through a humane solution and deal with it using a logical process.

I will focus on Nauru for a moment. We know that, as a result of that solution, somewhere around 60 per cent of those who were resettled from Nauru were resettled in Australia, and that a whopping 95 per cent of people resettled from Nauru ended up in Australia or New Zealand. We know that, not long ago, the member for Cook and also Mr Abbott visited Nauru and inspected what is a dilapidated migration centre. They came up with the view that it would have a significantly lower cost than the Malaysia solution. We know that is also not true; they have got it wrong. It will not be cheap or effective. It will be more costly, because of the changes that will need to be made on Nauru. That is why we as a government will not consider Nauru has a possibility in the legislation we introduce to deal with this issue. In fact, the highest level of Department of Immigration and Citizenship estimates are that the coalition's Nauru plan would cost taxpayers $980 million, almost $1 billion, in operational costs alone. That is $1 billion that could be spent elsewhere, on health or education, rather than refurbishing a centre that is basically inoperative.

Once again Mr Abbott needs to decide, for the sake of the coalition as an alternative government, to work with us on this issue. Migration to this country has always been an issue. I remember, back in the 1970s and the 1980s, when the Vietnamese boat people arrived on our shores. I still dread to remind myself of some of the redneck statements such as, 'Why don't we get the Navy out there and blow 'em out of the water.' I am certain that is not what the opposition is advocating, but it certainly stirred up xenophobia in our community. We need to make sure that those sorts of comments and views are oppressed and that we deal with this issue as a government—and as a government we can.

The ACTING DEPUTY PRESIDENT (Senator Moore): Order! The time for this debate has concluded.
DOCUMENTS
Tabling

The ACTING DEPUTY PRESIDENT (Senator Moore) (16:37): Pursuant to standing orders 38 and 166, I present documents listed on today’s Order of Business which were presented to the President, the Deputy President and temporary chairs of committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

DOCUMENTS CERTIFIED BY THE PRESIDENT

COMMITTEE REPORTS


3. Joint Standing Committee on the National Broadband Network—First report, together with the Hansard record of proceedings and documents presented to the committee—Review of the rollout of the National Broadband Network (presented to temporary chair of committees, Senator Fawcett, on 31 August 2011).

GOVERNMENT RESPONSES TO PARLIAMENTARY COMMITTEE REPORTS

2. Finance and Public Administration References Committee—Report—Government advertising and accountability (presented to the Deputy President on 8 September 2011).

3. Joint Committee of Public Accounts and Audit—421st report—The role of the Auditor-General in scrutinising government advertising (presented to temporary chair of committees, Senator Boyce, on 9 September 2011).

GOVERNMENT DOCUMENTS


REPORTS OF THE AUDITOR-GENERAL

2. Report no. 4 of 2011-12—Performance audit—Indigenous employment in government service delivery (presented to temporary chair of committees, Senator Cameron, on 31 August 2011).

3. Report no. 5 of 2011-12—Performance audit—Development and implementation of key performance indicators to support the Outcomes and Programs Framework (presented to the Deputy President on 8 September 2011).
TABLING OF GUIDELINES PURSUANT TO AN ACT

RETURN TO ORDER

STATEMENTS OF COMPLIANCE WITH SENATE ORDERS

Indexed lists of departmental and agency files (continuing order of the Senate of 30 May 1996, as amended on 3 December 1998):

Lists of contracts (continuing order of the Senate of 20 June 2001, as amended on 27 September 2001 and 18 June, 26 June and 4 December 2003):

- Finance and Deregulation portfolio (presented to temporary chair of committees, Senator Moore, on 29 August 2011).
- Treasury portfolio [2] (presented to temporary chair of committees, Senator Moore, on 29 August 2011, 11:25 am; and temporary chair of committees, Senator Stephens, on 1 September 2011).
- Attorney-General’s portfolio (presented to temporary chair of committees, Senator Bishop, on 30 August 2011).
- Immigration and Citizenship portfolio (presented to temporary chair of committees, Senator Bishop, on 30 August 2011).
- Regional Australia, Regional Development and Local Government portfolio (presented to temporary chair of committees, Senator Bishop, on 30 August 2011).
- Defence portfolio (presented to temporary chair of committees, Senator Cameron, on 31 August 2011).
- Infrastructure and Transport portfolio (with attachment) (presented to temporary chair of committees, Senator Cameron, on 31 August 2011).
- Prime Minister and Cabinet portfolio (presented to temporary chair of committees, Senator Stephens, on 1 September 2011).
- Education, Employment and Workplace Relations portfolio (presented to the Deputy President on 2 September 2011).
- Sustainability, Environment, Water, Population and Communities portfolio (presented to the Deputy President on 7 September 2011).

Ordered that the committee reports be printed.

COMMITTEES

Government Response to Report

The ACTING DEPUTY PRESIDENT (Senator Moore) (16:37): In accordance with the usual practice and with the concurrence of the Senate I ask that the government responses be incorporated in Hansard.

The documents read as follows—

GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Report on Civics and Electoral Education

Recommendation 1

The Committee recommends that in the lead up to the expected 2007 federal election, the Australian Electoral Commission (AEC) should keep a detailed record of the number of electoral commission birthday cards sent to Australian secondary students and report on the success of this rollout in its submission to the Committee's inquiry into the conduct of that election.

Response:

Supported. The AEC provided the JSCEM with enrolment numbers under the birthday card program for the 2007 federal election.

The AEC has advised it will include reporting on the birthday card program as part of its submission to the JSCEM inquiry into the 2010 federal election.

Recommendation 2

The Committee recommends that the Australian Government, through the Ministerial Council on Education. Employment. Training and Youth Affairs, encourages the cooperation of state and territory education authorities, including boards of secondary school studies, in providing the Australian Electoral Commission with appropriate data for the purposes of electoral enrolment.
Response:

Noted. The availability of information from trusted sources helps the AEC to update and maintain the electoral roll.

The AEC has advised that it has access to schools data from all States other than Victoria (the Victorian Electoral Commission processes Victorian education data). This data is currently used for the birthday card program. The AEC is also undertaking consultations to extend coverage to TAFE and university data and make data supply more consistent.

Recommendation 3

The Committee recommends that the Australian Electoral Commission determine the feasibility and costing of the following initiatives, and implement these initiatives where possible:

(i) emailing all Year 12 students an electoral enrolment form at a school email address;

(ii) sending out enrolment forms with tertiary institution (including university and TAFE college) application forms; and

(iii) establishing an SMS service by which young people can ask the AEC for an enrolment form.

Response:

Partly supported. The Government is committed to increasing youth electoral participation. The AEC has considered the feasibility and costing of the three recommended initiatives.

Initiative (i): Not supported. The AEC conducts other programs targeting 17 and 18 year old school students, for example, the existing birthday card and 'Enrol to Vote' week programs.

Initiative (ii): Not supported. The AEC identified several limitations and possible impediments with this initiative, including issues with extracting eligible students only from university/TAFE data (for example, TAFE college information in NSW does not distinguish international students from Australian citizens).

Initiative (iii): Partly Supported. The AEC commenced a new SMS message trial during the period 24 May to 10 June 2010. Approximately 55,000 persons who had not responded to AEC mail asking them to update their enrolment details received a reminder SMS suggesting they contact the AEC or go to the AEC website. The AEC is considering the possible future use of SMS in light of the trial.

More broadly, the AEC is implementing the 'Mobilise the Franchise' strategy which adopts mechanisms to, amongst other things, simplify processes related to participation, minimise accidental non-participation and provide information on all aspects of electoral participation to people in a manner that is relevant to them.

Recommendation 4

The Committee recommends that the Australian Electoral Commission, in collaboration with the State Electoral Commissions, develop a short, focused electoral education unit to be delivered to either Year 9 or 10 students, and Year 11 and 12 students, in all secondary schools. The Australian Government—through the Ministerial Council on Education, Employment, Training and Youth Affairs—should ensure that the delivery of this unit is incorporated into all secondary schools.

Response:

Supported in principle. The Government supports the inclusion of electoral education in all secondary schools.

The Australian Curriculum, Assessment and Reporting Authority (ACARA) is responsible for development of the Foundation to Year 12 Australian Curriculum. In June 2009, ACARA outlined a process for the development of an Australian Curriculum in phases. On 8 December 2010, all education ministers endorsed Australia's first national curriculum from Foundation to Year 10 in the Phase 1 learning areas of English, mathematics, science and history. The learning areas of the Australian Curriculum that are most relevant to civics and electoral education are history (Phase 1), geography (Phase 2) and civics and citizenship (Phase 3).

ACARA's development of the Australian Curriculum involves a curriculum shaping stage followed by a curriculum writing stage. Writers are guided by key framework documents and refer to existing Australian and international curricula, as well as other relevant curriculum
research. The curriculum writers are also supported by advisory panels with expertise in subject matter, stages of schooling, and equity and diversity. Broad consultation is an integral feature of ACARA’s development of the Australian Curriculum. To date, ACARA's consultation activities have included meetings with key stakeholders, national, state and territory forums and workshops, public information sessions, the release of draft documents for public comment, and curriculum trialling activities in schools. The AEC is establishing memoranda of understanding with each state and territory electoral authority regarding the delivery of electoral education.

**Recommendation 5**
The Committee recommends that the Australian Electoral Commission be granted sufficient funds to create several electoral education officer positions in each state and territory with responsibility for the development and presentation of electoral education teaching resources.

**Response:**
Noted. The Government supports the inclusion of electoral education in the Australian Curriculum.

The precise role of the AEC in delivering electoral education will depend on how electoral education is included in the Australian Curriculum (see Government response to recommendation 4). In the short term, the AEC will continue to deliver the School and Community Visits Program through staff in its divisional office network although, in light of work undertaken under the umbrella of the AEC 'Mobilise the Franchise' strategy, the AEC may move to having a greater focus on conducting authentic elections in the schools as part of this engagement program.

**Recommendation 6**
The Committee recommends that the Australian Electoral Commission provide an assessment of statistics regarding the delivery of civics education, which includes both students and teacher training, for inclusion in its submission to the Committee's regular inquiries into the conduct of federal elections.

**Response:**
Not supported. The existing national school assessment in civics and citizenship that is conducted every three years is an effective way to measure the success of civics education. The Government does not consider that requiring the AEC to collect further statistics will enhance this process.

National assessment in civics and citizenship commenced in 2004 as part of a rolling three-yearly cycle of sample assessments. Every three years samples of year 6 and year 10 students from across Australia are tested on their civic knowledge and understanding and the skills and values needed for active citizenship. The most recent national assessment in civics and citizenship was undertaken by samples of year 6 and year 10 students in October 2010. The 2007 National Civics and Citizenship Sample Assessment report can be viewed at: www.mceecdva.edu.au/mceecdvainap civics and citizenship 2007 yrs6 and 10 report, 26602.html

**Recommendation 7**
The Committee recommends that the Australian Government re-assess the Parliament and Civics Education Rebate as it affects students from the remotest parts of Australia.

**Response:**
Supported. An internal Government review of the Parliament and Civics Education Rebate (PACER) program is being undertaken, including consideration of financial support for students from schools in remote areas.

The institutions which schools must visit in order to obtain PACER (i.e. Parliament House, the National Electoral Education Centre, the Museum of Australian Democracy and the Australian War Memorial), have worked with the Government to ensure quality education materials are available for both onsite and online audiences.

**Recommendation 8**
The Committee recommends that the Australian Government provide additional support to both the Parliamentary Education Office (PEO) and the Australian Electoral Commission in their efforts to access additional
space so that a greater number of students and schools who want to participate in relevant programmes can do so.

Response:

Supported in principle. While the Government considers that providing experiential learning programs at the AEC and PEO education centres is an effective way to deliver civics and electoral education, the Government considers that classroom education is often a more efficient way to reach a large number of students.

As set out in the Government response to recommendation 4 above, the Government considers that the inclusion of civics and electoral education in the Australian Curriculum will reach a great number of students and schools.

The AEC and the PEO produce outreach programs and electronic materials available on their websites that can be used in the classrooms and to train teachers.

The Government intends to retain the national electoral education centre in Canberra. The AEC is considering ways to update the national electoral education centre programs and, if possible, increase the capacity of that centre.

Recommendation 9

The Committee recommends that State and Territory education authorities develop induction strategies incorporating the delivery of civics education for pre-service teachers bound for regional and remote communities.

Response:

Supported in principle. The Government supports the need for appropriately trained and qualified teachers to deliver education, including civics and electoral education to Indigenous Australians.

The Government is working with states and territories to improve the quality of the Australian teaching workforce through the $550 million over 5 years (2008-09 to 2012-13) Smarter Schools — Improving Teacher Quality National Partnership (TQNP) agreement. Under the TQNP, Australian governments are implementing a range of nationally significant and sustainable reforms targeting critical points in the teacher lifecycle to attract, train, place, develop and retain quality teachers and leaders in our schools and classrooms. Further information on the TQNP agreement can be found at www.deewr.gov.au/smarterschools.

A key reform under the TQNP is the National Professional Standards for Teachers (the Standards), which will promote excellence in the profession. Development and implementation of the Standards is being led by the Australian Institute for Teaching and School Leadership (AITSL) in collaboration with the teaching profession and key stakeholders. The Standards represent an analysis of effective contemporary practice by teaching throughout Australia and are a public statement of what constitutes teacher quality and what teachers need to know and be able to do at different stages across their careers (graduate, proficient, highly accomplished and lead teachers). The Standards include references to 'strategies for teaching Aboriginal and Torres Strait Islander students' (Standard 1.4) and 'understand and respect Aboriginal and Torres Strait Islander people to promote reconciliation between Indigenous and non-Indigenous Australians' (Standard 2.4).

The Standards underpin other significant national reforms including nationally consistent teacher registration; accreditation of initial teacher education courses; and certification of highly accomplished and lead teachers. The accreditation of initial teacher education programs, under which all courses will be assessed against national standards, is intended to ensure that graduates are appropriately trained and well prepared to begin their career in the classroom. All graduates must demonstrate that they meet the Graduate level as outlined in the Standards, in order to obtain provisional registration. More information about the Standards and the accreditation proposal can be found at www.aitsl.edu.au.

The Government has also committed an extra $44.3 million over three years (2009—2010 to 2011-2012) to the Northern Territory to help principals and teachers working in remote schools develop career pathways for Indigenous staff, and significantly improve Indigenous literacy and numeracy outcomes through the Quality Teaching
and Enhancing Literacy element of the Closing the Gap National Partnership.

Recommendation 10
The Committee recommends that a modified civics education website be created for an Indigenous audience. The website should be established through collaboration between the Office of Indigenous Affairs and the Department of Education, Science and Training, and should be developed in consultation with local governments in remote and regional areas.

Response:
Supported in principle. The Government supports the availability of civics education materials in a range of formats, accessible to audiences of different cultural backgrounds, including Indigenous Australians.

In 2009, the Government provided $13 million over four years to the AEC to establish the Indigenous Electoral Participation Program (IEPP). The IEPP establishes an Internet presence on the AEC's website and has expanded on the material previously available for Indigenous electors: www.aec.gov.au/Voting/indigenous-vote/index.htm. The IEPP website also provides links to other relevant resources and sites as well as access to civics and education resources developed through the fieldwork program of the IEPP (for example, education and outreach materials designed and used by field officers, multimedia resources).

Recommendation 11
The Committee recommends that the Australian Electoral Commission provide adequate training and guidelines for polling officials in communicating with Indigenous Australians.

Response:
Supported. The AEC reviewed its training packages for polling officials prior to the 2010 federal election. This included a review of training packages for remote mobile polling staff. The training for remote mobile training staff encourages the use of Indigenous interpreters, where appropriate.

In addition, the IEPP will provide cultural awareness training for all AEC staff over the next few years. Some pilot training has already been provided for IEPP field officers and staff in some states.

Recommendation 12
The Committee recommends that the Australian Electoral Commission review the languages it currently translates its materials into and consider introducing languages spoken by more recent migrant arrivals to Australia.

Response:
Supported. The AEC currently translates its communication materials into 31 languages, including 7 Indigenous languages. The AEC is in discussions with the Department of Immigration and Citizenship (DIAC) about these languages and is also in the process of procuring a culturally and linguistically diverse communications consultant to provide advice on the need to alter or expand the mix of languages in which communication materials are provided. Languages for translation, including for advertising, will be considered once this advice has been received, within available resources.

Recommendation 13
The Committee recommends that the Australian Government urge migrants and candidates for citizenship to undertake as much language training as is currently made available to them by the Government.

Response:
Supported. Following the independent review of the Australian citizenship test, the Government remains committed to the requirement for prospective citizens to possess a basic knowledge of the English language. This is one of the eligibility criteria for the acquisition of Australian citizenship and for the majority of applicants is determined by sitting the citizenship test.

The Department of Immigration and Citizenship (DIAC) encourages new arrivals to participate in the Adult Migrant English Program (AMEP) by the provision of pre-embarkation advice through the Australian Cultural Orientation Program, contact on arrival by settlement support services funded through the Integrated Humanitarian Settlement Strategy (IHSS) and the Settlement Grants Program (SGP)
and the distribution of AMEP promotional materials.

**Recommendation 14**

The Committee recommends that the Australian Government amend the Australian Citizenship Ceremonies Code to include the additional mandatory requirement that during citizenship ceremonies there be a presentation regarding the notion of citizenship, voting rights and obligations in Australia, including the opportunity for enrolment at the ceremony.

**Response:**

Supported in principle. The Government supports the enrolment of new Australian citizens.

For some years now the Government has produced partially completed enrolment forms with each citizen's certificate which the AEC either collects at the time of the ceremony or follows up to obtain as soon as possible after the ceremony.

The Government response to recommendation 11 of the JSCEM Report on the conduct of the 2007 federal election and matters related thereto supported the automatic enrolment of new Australian citizens. The AEC will work with DIAC to implement that recommendation once the necessary legislation is passed.

The Australian Citizenship Ceremonies Code provides guidance for ceremony organisers in the formulation of official speeches to express the importance and value of Australian citizenship including voting rights and obligations. The message from the Minister for Immigration and Citizenship, which must be read out at all ceremonies, also includes notions of citizenship.

**Recommendation 15**

The Committee recommends that the Department of Immigration and Citizenship, in consultation with the Australian Electoral Commission, develop a programme of electoral education, to be implemented through migrant resource centres.

**Response:**

Supported in principle. DIAC and the AEC have commenced collaboration through the development of the Australian citizenship test resource material and will continue to liaise and identify appropriate and effective means of providing electoral education to new citizens.

**Recommendation 16**

The Committee recommends that the Australian Electoral Commission prepare a professional development seminar for migrant resource workers to enable them to deliver this programme of electoral education.

**Response:**

Supported in principle. DIAC and the AEC have commenced collaboration through the development of the Australian citizenship test resource material and will continue to liaise and identify appropriate and effective means of providing electoral education to new citizens.

**Recommendation 17**

The Committee recommends that the Australian Electoral Commission prepare a professional development seminar for migrant resource workers to enable them to deliver this programme of electoral education.

**Response:**

Supported in principle. The AEC has commenced discussions with DIAC on collaborating on the development of appropriate resource materials.

The AEC and DIAC are also working together to develop strategies to provide electoral education to migrants through government networks such as Community Liaison Officers who regularly interact with migrant communities.

The AEC School and Community Visits Program (SCVP) already targets the presentation of electoral education sessions by AEC staff directly to Cultural and Linguistic Diverse (CALD) electors. Also, as part of its informality strategy, the AEC piloted a program of training CALD educators to deliver education sessions to CALD electors ahead of the 2010 federal election.

**Recommendation 18**

The Committee recommends that the Australian Electoral Commission provides a programme of electoral education in the lead up to federal elections which specifically targets areas of high informal voting including those with a high proportion of voters from non-English speaking backgrounds and those in areas where there are different voting systems in place for State elections.

**Response:**

Supported. The AEC has prepared a communication strategy that outlines a range of activities to address formality at the national level (similar to those activities provided for the 2007 federal election at which, for the first time since 1993, there was a decrease in informality). One aspect of the strategy will target electors in high risk areas (for example, voters from non-English
speaking backgrounds and those in areas where there are different voting systems in place for State elections). This strategy adopts an educative approach and will be implemented within available resources. It focuses on working with communities to enable the AEC to communicate in a manner relevant to the particular community.

Further, in the lead up to the 2010 federal election, the IEPP employed a number of staff who focused on improving the electoral knowledge and participation of Indigenous electors with the aim of increasing the level of formal voting, enrolment levels and vote turn-out in Indigenous communities. This program aimed to increase the level of formal voting, enrolment levels and voter turn-out in Indigenous communities at the 2010 federal election.

Final Government response to the Senate Finance and Public Administration References Committee report – Government Advertising and Accountability, December 2005

Government Response to the recommendations of the Senate Finance and Public Administration References Committee Report, Government advertising and accountability

The Senate Finance and Public Administration References Committee (SFPARC) Inquiry report - Government Advertising and Accountability was tabled in the Australian Parliament on 6 December 2005.

The context for the SFPA inquiry was in relation to the arrangements for campaign advertising that ultimately operated between 1996 and 2007 under the previous Government. The Committee's report and its recommendations reflected key concerns about increasing levels of Australian Government campaign advertising expenditure, the potential for publicly-funded campaigns to serve party-political interests, and a lack of accountability and transparency around campaign advertising. The previous Government did not provide a final response to the Committee report, nor did it adopt any of the Committee's recommendations.

The issues raised by the Committee in relation to the former Government's advertising arrangements have been addressed by significant changes to the governance and accountability arrangements for publicly-funded campaign advertising. Following the 2007 Federal election, the Government introduced considerable reforms to campaign advertising which took effect from mid-2008. This campaign advertising framework was further refined following an independent review, in March 2010. Campaign advertising expenditure has also been significantly reduced relative to the levels under previous governments.

The present framework for publicly-funded advertising and information campaigns applies to all agencies subject to the Financial Management and Accountability Act 1997 (FMA Act). The key features of the framework include:

- Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (Guidelines) that govern the content and presentation of publicly-funded campaigns;
- a process of independent review to ensure that advertising campaigns above the value of $250,000 demonstrate compliance with the Guidelines:
- strengthened accountability and transparency arrangements to provide clear information about the costs of campaign advertising to the Parliament.

Accordingly, the Government accepts in principle the majority of the 13 recommendations contained in the Government Advertising and Accountability report, while noting that all of the substantive issues raised by the Committee have been overtaken by considerable reforms aimed at improving the governance, transparency and accountability processes for campaign advertising.

Response to recommendations

Recommendation 1

1) The Committee recommends that the Senate refer to the Finance and Public Administration References Committee for inquiry and report the matter of the impact of outcome budgeting for appropriations on Parliamentary consideration and approval of government expenditure, and the accountability of government for such expenditure.
Government response:
Not applicable. This recommendation involves matters to be considered by the Senate.

Recommendations 2 and 13
2) The Committee recommends that for all major government advertising campaigns, the responsible department should conduct or commission a qualitative evaluation of key facets of the campaign (such as media placement strategy, campaign concept, response of target audience, value for money and so on) and report the evaluation results to the MCGC.

13) The Committee recommends that public opinion and market research commissioned by government departments be made available by departments to the public through the National Library of Australia and the Parliamentary Library.

Government response:
Agreed in principle. The 2010 Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (Guidelines) state that research reports for advertising campaigns with expenditure of $250,000 or more are expected to be made available on agency web sites following the launch of a campaign, wherever it is appropriate to do so. The Guidelines also provide that campaigns are to be evaluated to determine effectiveness.

Recommendations 3 and 4
3) The Committee recommends that the government update the 1995 Guidelines on Australian Government Information Activities as a matter of urgency.

4) The Committee recommends that the Government adopt the Joint Committee of Public Accounts and Audit's draft guidelines for government advertising, amended as follows:
- insert after the third dot point under 'Material should be relevant to government responsibilities' three additional dot points as follows:
  a) No expenditure of public money should be undertaken on mass media advertising, telephone canvassing or information services, on-line services, direct mail or other distribution of unsolicited material until the government has obtained passage of legislation giving it authority to implement the policy, program or service described in the public information or education campaign.
  b) Nothing in (a) should be taken to prohibit the government from seeking a public response to draft legislation or to Green or White papers. Advertising for public response to draft legislation, however, must take the form of inviting submissions and formal comment on a published bill or discussion paper.
  c) Where a proposed public information or education campaign covers a matter which does not require legislation, an appropriation for the specific purpose of the public information or education campaign must be obtained.
  d) The only exclusions to these requirements are where major issues of public health, public safety or public order may arise at short notice.
- replace the guideline heading 'Material should not be liable to misrepresentation as party political with heading 'Material should not be directed at promoting party political interests'.

Government response:
Agreed in principle. The Government adopted principles-based Guidelines on Campaign Advertising in mid-2008, based on the draft guidelines for government advertising as recommended by the Joint Committee of Public Accounts and Audit (JCPAA) in 2000. The 2008 Guidelines were refined in 2010, based on an independent review which recommended changes to address areas of complexity and ambiguity. The current Guidelines on Information and Advertising Campaigns retain the key features of the draft guidelines as proposed by the JCPAA in 2000.

Recommendations 5 to 8
5) The Committee recommends that the government implement, as a matter of urgency, a mechanism to monitor and enforce compliance with guidelines on government advertising activity.

6) The Committee recommends that once an advertising campaign valued at $250,000 or more has been given final approval by the MCGC, the
Advertisements must be submitted to the Auditor General by the department that is incurring the expenditure. The Auditor-General must report back to the department and the portfolio minister as soon as possible whether the campaign complies with the revised guidelines on government advertising, and the extent of any non-compliance.

7) The Committee recommends that every six months the Auditor-General must table a report in Parliament which details his or her assessment against the guidelines of the advertising campaigns that have been implemented during that six-month period.

8) The Committee recommends that if a department continues with a campaign that the Auditor-General has assessed as not complying with the guidelines, and has provided reasons for that course of action, the Auditor-General must include the departmental response in the tabled report. If a department has amended a campaign in the light of the Auditor-General's initial assessment, the Auditor-General will not table the initial report but only the final assessment made of the campaign.

**Government response:**
Agreed in principle. The Government has established the Independent Communications Committee (ICC) to provide an independent, external source of advice on whether advertising campaigns (above the value of $250,000) comply with the key principles of the Guidelines. The ICC's advice to Chief Executives is published on the Department of Finance and Deregulation's website after campaigns are launched.

Chief Executives are ultimately responsible for certifying that campaigns in their portfolios are compliant with the Guidelines, and for ensuring that their certification is published on a relevant agency website when campaigns are launched. The process of independent review, and the publication of campaign certifications, provides timely transparency on campaigns and their compliance with the Guidelines.

**Recommendations 9 to 12**

9) The Committee recommends that the government comply with the Senate Order of 29 October 2003 relating to agency advertising and public information projects.

10) The Committee recommends that the Government Communications Unit in the Department of the Prime Minister and Cabinet publish an annual report on government advertising, commencing in financial year 2005-06. The annual report should be modelled on the Annual Report on the Government of Canada's Advertising 2003-04. It should include:
- a total figure for government expenditure on advertising activities;
- total figures by agency for expenditure on advertising activities;
- figures for expenditure on media placement by type and media placement by month; and
- detailed information about major campaigns, including a statement of the objectives of the campaign, the target audience, a detailed breakdown of media placement, evaluation of the campaign including information about the methodology used and the measurable results, and a breakdown of the costs into 'production', 'media placement' and 'evaluative research'.

11) The Committee recommends that from financial year 2005-06 the annual reports of each government agency must include:
- a total figure for the agency's advertising expenditure; and
- a consolidated figure for the cost for each campaign managed by that agency.

12) The Committee recommends that from financial year 2005-06 the annual reports of each government agency must include:
- a total figure for departmental expenditure on public opinion research;
- a breakdown of the type of research, including the expenditure on research for advertising as a percentage of total research costs;
- highlights of key research projects; and
- a listing of research firms used by business volume.

**Government response:**
Agreed in principle. Biannual reports on campaign advertising are tabled in the Parliament.
in March and September each year. These reporting arrangements are similar (albeit with more frequent reporting) than recommended by the Committee. The biannual reports provide expenditure data, both at an aggregate level, and in terms of individual advertising campaigns, along with other detail about the operation of the campaign framework. This consolidated reporting on campaign advertising is more comprehensive than provided by any previous government. Departments and agencies are also required to detail any advertising campaigns undertaken in their annual reports, along with reporting on payments made to advertising agencies, market research/polling organisations, direct mail organisations and media advertising agencies.

In relation to the Senate Order of 29 October 2003 (which proposed that key details about advertising and information campaigns would be tabled in the Parliament within five days of their launch), the Government is satisfied that its framework of biannual reporting provides timely disclosure, transparency and accountability in relation to campaign advertising.

**Government Response to the Joint Committee of Public Accounts and Audit—421st report**

*The role of the Auditor-General in scrutinising government advertising*

**JCPAA Recommendation**

**Recommendation 1**

The Committee recommends that any substantial proposed changes to the role of the Auditor-General, in accordance with his standing as an Independent Office of the Parliament, be first reviewed by the Joint Committee of Public Accounts and Audit.

**Government Response**

The Government would not object to the Auditor-General consulting the JCPAA on any significant changes to the role and functions of the Office.

The functions and powers of the Auditor-General are specified in the Auditor-General Act 1997. As with amendments to any Commonwealth Act, any changes to the Auditor-General's functions would be subject to the scrutiny of the Parliament as part of the process of enacting amendments. Either House of the Parliament can refer any proposed amendments to the JCPAA for consideration if it so wishes.

The Government notes that if there is an administrative decision to change the functions of the Auditor-General the Auditor-General, as an independent officer of the Parliament, can decide whether to perform the function or to seek the JCPAA's views before making such a decision.

**Senator McEWEN (South Australia—Government Whip in the Senate) (16:37):** by leave—I move:

**Consideration**

That consideration of each of the committee reports and government responses tabled earlier today be listed on the Notice Paper as separate orders of the day.

Question agreed to.

**Education, Employment and Workplace Relations Legislation Committee**

**Senator McEWEN (South Australia—Government Whip in the Senate) (16:37):** by leave—I move:

That the report of the Education, Employment and Workplace Relations Legislation Committee be printed.

Question agreed to.

**Gambling Reform Committee**

**Senator McEWEN (South Australia—Government Whip in the Senate) (16:38):** by leave—I move:

That the recommendation contained in each of the reports of the Joint Select Committee on Gambling Reform, proposing that the inquiries not be proceeded with and be discharged from the Notice Paper, be adopted.

Question agreed to.
National Broadband Network - Select Committee
Report

Senator IAN MACDONALD (Queensland) (16:39): by leave—I move:

That the Senate take note of the report.

This is a very important part of the process of scrutiny and accountability for the National Broadband Network. Senators will recall that this is perhaps the largest infrastructure project ever undertaken by any Australian government, certainly in recent times. Senators will also recall that, in spite of repeated requests by the coalition, there has still not been a cost-benefit analysis of this project.

With the new paradigm in government, and the last election result being so close, the Independents, as part of their agreement with the Gillard government, indicated they wanted greater accountability and scrutiny. A deal was then done so that a Joint Committee on the National Broadband Network would be established with roughly equal numbers of government and non-government members. It was then determined that Mr Oakeshott would become chairman of that committee. I stand to be corrected if I am wrong here, but I suspect that was part of the deal in dividing up the spoils of office for the new government. The terms of reference of this committee were that the committee would more or less take the place of the cost-benefit analysis and would generally look at all aspects of this huge expenditure of taxpayers' money. I continue to say—justifiably, I think—that this is a project which will involve in excess of $55 billion expenditure of taxpayers' money and that it therefore should be very clearly scrutinised by the parliament on behalf of the Australian taxpayer.

The NBN Co. has already been given extraordinary exemptions from parliamentary and regulatory oversight. These include an exemption from review of the Public Works Committee of parliament. That is quite unusual for an expenditure of this amount of money on infrastructure. The passing of the telecommunications legislation amendment bill limited the ACCC's oversight of commercial agreements undertaken by NBN. There is, as I have mentioned, a lack of any cost-benefit analysis by the Productivity Commission or any other competent agency to examine whether the objective of universal and affordable broadband was most cost effectively and speedily achieved by the NBN project. There has been a failure by the government to release the 400-page NBN corporate plan in full. We have got bits and pieces of it but not the full 400-page document. It has also been exempted from freedom of information laws. Therefore it was essential that this joint standing committee set up to oversight the NBN should have the powers to do that. I am a member of the committee and to date we have been stymied in getting the full information that we need to properly assess the NBN and its rollout. In fact, NBN Co. has applied for the right to increase prices on most services, excluding the basic ADSL speed equivalents, by up to CPI plus five per cent per year. By comparison, the price of access to Telstra's copper network has fallen seven per cent each year in real terms since 2000, and figures compiled by the OECD show that between 2005 and 2010 the price of ADSL broadband in Australia fell by 69 per cent in nominal dollars. The recent history of broadband connections shows a downward trend, a falling of prices, but the NBN is seeking permission to increase its prices by CPI plus five per cent per year over the next several years. It appears to the coalition members on the committee—and this is mentioned in the dissenting report of
coalition senators—that the government equity injection is explicitly structured to hide the inherent risk of the NBN project from taxpayers and investors in other communications companies, in breach of the competitive neutrality principle supported by both Labor and the coalition until quite recently.

I want to comment on a number of aspects of the joint committee's work, although time will not allow me to deal with all of them. I draw the Senate’s attention to the coalition's dissenting report, which outlines a number of problems with the NBN rollout. I will not go into this in full—our report sets out evidence of these problems in some detail—but there have been ongoing delays in the rollout. That is mentioned on pages 62 and 63 of the report. There are also difficulties with what are claimed by NBN to be confidentiality provisions that really do restrict the ability of the committee to fully oversee this infrastructure rollout. There are a number of other issues that I would like to emphasise but, as I say, time will beat me. I do suggest that anyone interested in this NBN rollout have a look at the coalition's dissenting report.

Perhaps the worst problem that I found—and I was disappointed that although I was supported by my coalition colleagues the majority of the committee did not support me when I raised it—was that we wanted an oversight committee to at regular times be given details of how many kilometres of fibre had been rolled out this week or this month, how many connections had been made, how much money had been spent, how much money had been drawn down by the NBN from its government facilities—the sorts of things that we would have expected as an overseeing committee, looking at the expenditure of some $55 billion plus of taxpayers' money, we would be able to get as a matter of course. We are being told by NBN and the government—and regrettably the committee chairman sided with the government—that this sort of information is not regularly available. As I said at the meeting, surely Mr Quigley, the NBN chief, every week gets a report from his people telling him how much has been rolled out and how many subscribers have been connected. They must have that information—why is it not being made available to members of this joint committee that is supposed to be overseeing the whole procedure? We were given some excuse that to my mind did not seem to have any validity whatsoever. It is disappointing that the committee which is supposed to oversee this massive government expenditure of taxpayer funds is not able to do its job because it is not getting the full information that we thought it might be entitled to.

Senator BIRMINGHAM (South Australia) (16:49): I join Senator Macdonald in seeking to have the Senate take note of the first of what are designed to be regular reports from the Joint Standing Committee on the NBN—a committee that, like Senator Macdonald, I am a member of. This committee was intended to be the primary body of the parliament to have oversight of this truly massive area of government expenditure. Let us be under no illusions—the government and Minister Conroy like to proclaim just how significant this project is. We may debate the merits of the project, we may debate whether it is as significant to the future of the Australian economy as Senator Conroy and others opposite sometimes claim, but there is absolutely no debate about the significance of this project for the Australian budget and for the finances of the Australian government. You need only look at the fact that in just this financial year, in the 2011-12 financial year, NBN Co. will receive a $3.1 billion cash injection from the Australian government. That is just this
year—just one year of many, many years of multibillion-dollar commitments from government into NBN Co. This year alone, more than $258 million a month of taxpayer expenditure is going to this project.

You would think for that sort of money, especially for that sort of money funded as it is out of taxpayer debt—money borrowed in the name of the Australian taxpayer—there would be a decent level of accountability. That is what this committee was established for—to provide some parliamentary accountability; to provide some parliamentary oversight. But it is a disappointment, as Senator Macdonald highlighted, that we are unable to provide the level of oversight which is warranted. We are unable to do so because we have been unable to extract from the multibillion-dollar NBN Co. the most basic of key performance indicators at this very early stage of the committee’s deliberations.

A body that has more employees than it has customers is somehow unable to provide a parliamentary committee with the bare bones basics, not even the basic KPIs which might tell us exactly how much money has been provided to it at a given point in time by the Australian government; to tell us how much of that money has been expended at a given point in time by NBN Co.; to tell us on what that money has been expended—how much of it has been expended on massive executive salaries for its bloated workforce versus how much has been expended on actually rolling out fibre or delivering the wireless or satellite options that are also being developed under this proposal; to tell us how much fibre has actually been rolled out; to tell us how many homes or premises that fibre has passed; to tell us how many premises have actually agreed to have that fibre connected; to tell us, ultimately, at a given point in time, how many premises have taken out a service which utilises that connection; or to tell us how many customers this new, multibillion-dollar government monopoly actually has. No, the whole thing is shrouded in secrecy. The whole thing has failed to provide basic answers or to meet the most basic standards of public accountability that we should expect—that we should demand—for the expense of far less taxpayer money than we see NBN Co. expend.

Senator Macdonald was right to highlight, as the dissenting report by coalition members of the NBN joint committee also highlighted, the areas in which NBN Co. has been given some extraordinary exemptions from public accountability already—very extraordinary. Despite being the nation’s single largest public works activity, it has been exempted from consideration by the Parliamentary Standing Committee on Public Works. Those opposite may argue that that is why this joint committee on the NBN Co. was established instead. If that is the case, this joint committee should get the types of answers, information and data that the Public Works Committee has long required in helping it determine the worth and merits of Commonwealth public works.

We have seen limitations on the power of the ACCC to oversight NBN Co.’s activities. So this reform, which is meant to be and is argued by those opposite to be a great reform for competition in the telecommunications sector, has, for its success, demanded limitations on the power of the nation’s competition watchdog to oversight it. They have actually put a choker chain on the watchdog, telling it, 'No, you are not able to ensure competition in a manner which we would expect to be mandated for a new monopoly enterprise.'

There has, as we know, been no cost-benefit analysis or any decent analysis whatsoever of the merits of the NBN Co.—of whether it meets the basic threshold test of
being the best, most affordable, most effective and most cost-efficient way of delivering fast broadband to Australians. As the Deputy Chairman of the Productivity Commission, Mr Michael Wood, observed in evidence to this committee—and this was highlighted in the dissenting report:

As a general principle we continue to believe that cost-benefit analysis is a useful tool. We also make the point that you do not actually rely exclusively on the numbers that a cost-benefit analysis will produce because it is the product of many assumptions. As long as it is a transparent process of identifying the various costs and benefits and it is transparent as to the assumptions that you have made—and there are very many complex assumptions to be made in these things; they are not simple, but they are an instructive methodology—then that is a useful contributor to decision making.

For whatever reason, those opposite decided that having any type of independent analysis of the merits of this multibillion-dollar expenditure was not a useful contributor to their decision making. Far better it was for Senator Conroy and Mr Rudd to sit on the VIP plane and get out the back of an envelope and say, 'This is going to be a worthwhile project,' and announce it to the Australian people from there. Far better it is, they think, to exempt this project from the application of freedom of information laws—once again stifling the accountability that we should see for such an expense of government funds.

Even with regard to the project itself, and even with the limited information from NBN Co. that the committee has been able to work with, we are aware of the reality that prices for all but the most basic level of service will go up and will be higher than has been the case under current arrangements in the telecommunications sector. Consumers who want more than a basic service offering in the broadband space will end up paying more and more over the long run.

We know as well that there are delays to the rollout. We do know that they are not getting the job done on time and that they are not able to let contracts in a manner which ensures the project can be delivered within budget. We know that, in the first lot of major contracts put out, they had to go back to the drawing board and have a second try because nobody came in within budget. Even last week, after this committee had reported, it was revealed that in my home state of South Australia they have had to go back to the drawing board again—they have not been able to let the first major contract for delivery in SA. So we have a situation now where NBN Co. has construction contracts in place in all mainland states—after a couple of goes in some of them, mind you—except for South Australia.

There is no clarity from this government, no clarity from Senator Conroy or from NBN Co., about why SA is the only state where NBN Co. has not announced a contract for fibre rollout. There has been no explanation of what the cost and timing implications of that delay are. How long will South Australians have to wait to see this magical NBN Co. rolled out? And how much more will it cost the Australian taxpayer to roll it out as a result of these contract failures and as a result of these delays? There is no guarantee that people in South Australia will receive the same percentage of fibre services or whether, because of these contract failures, more South Australian premises will end up having to rely on wireless and satellite options than in the rest of the nation.

Why? Why are there no answers to any of these questions? Because the whole project is masked in secrecy and because the government does not want the truth about the costs and expenses and failures of this project, as highlighted in this dissenting report, to come out. I seek leave to continue my remarks.
Leave granted; debate adjourned.

**DOCUMENTS**

Tabling

**The ACTING DEPUTY PRESIDENT (Senator Moore):** I present correspondence between the President of the Senate and the Minister for Finance and Deregulation, Senator Wong, relating to ordinary annual services of the government dated 26 August 2011.

**Responses to Senate Resolutions**

Tabling

**The ACTING DEPUTY PRESIDENT (Senator Moore) (17:00):** I present the following responses to various Senate resolutions:

(a) from the Chairman of the Australian Competition and Consumer Commission (Mr Sims) to a resolution of the Senate of 18 August 2011 concerning boycotts against Max Brenner;

(b) from the Executive Chairman of the WIN Corporation Pty Ltd (Mr Gordon) to a resolution of the Senate of 22 August 2011 concerning WIN television in Tasmania; and

(c) from the Leader of the Opposition in the Senate (Senator Abetz) to a resolution of the Senate of 23 August 2011 concerning the Tasmanian logging industry.

**Israel**

**Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (17:00):** I seek leave to move a motion in relation to the response from the ACCC.

Leave granted.

**Senator ABETZ:** I move:

That the Senate take note of the document.

The response of the chairman of the ACCC to the Senate motion concerning the anti-Israel BDS campaign against Max Brenner chocolate cafes is, to say the least, disappointing. I also note that this motion was opposed by Greens senators. Since Greens leader Senator Bob Brown took his alleged robust line against Senator Rhiannon's support for the boycott divestment and sanctions campaign, BDS, in the March New South Wales election, Senator Rhiannon has repeatedly needled him on this issue.

After the backlash against the Greens at the March New South Wales election, particularly in the seat of Marrickville, Senator Bob Brown lambasted Senator-elect Rhiannon. Senator-elect Rhiannon's first reaction had been to suggest that the Greens should have done more to explain this issue. She said:

Collectively, we didn't do enough to amplify support for BDS and show that this is part of an international movement.

Senator Bob Brown publicly accused the New South Wales Greens of having mistakenly taken to:

... having their own shade of foreign policy. I've had a good robust discussion with Lee. She and I, not for the first time, have engaged in a very frank discussion about the way the New South Wales election went.

Days later, Senator Bob Brown said:

It's the federal party that makes foreign policy—simple as that.

The New South Wales position was rejected at the National Council of Australian Greens. It was brought forward by New South Wales but rejected last year. On *Lateline*, Ali Moore asked Senator Brown:

Do you support the policy that New South Wales Greens have for a boycott?

Senator Brown replied:

No I don't and I've said this before publicly, Ali, that it was rejected by the Australian Greens Council last year.

Not long after, Senator-elect Rhiannon staked out her ground:

We have that position in New South Wales and I support the New South Wales position—
she told Sky's _The Nation_ program, adding that it was:

... not something we're taking to the federal parliament.

Then a month later in her blog she threw down the gauntlet, declaring that:

Despite the intimidation, misinformation and abuse in recent months directed towards the Greens NSW, my colleagues in Marrickville and myself, I will not step away from speaking out for Palestinian human rights.

In the context of my work as a federal Senator, this will be just one of many issues I will work on.

Intimidation? To whom she could she have been referring? She then took issue with Senator Brown's assertion about the Greens National Council rejecting BDS:

It is not accurate to say that the Greens National Council rejected a BDS proposal.

... ... ...

... there was no vote to reject it. A less stringent boycott was supported.

... ... ...

... The argument that the NSW position is a contravention of the national policy does not stand up.

When the _Australian_ put to Senator Brown Senator-elect Rhiannon's declaration that there had been no national Greens vote against the BDS, he then changed his story. He said:

There has been no vote in favour of the BDS proposal.

That, of course, is in stark conflict with what he previously said, namely that it had been rejected. But Senator Rhiannon repeated her assertion at a Politics in the Pub event in Sydney in July:

One of the pieces of information was that the New South Wales Greens were going against the national policy so the boycott was not in contravention of our national policy. There is a diversity of opinion only about how we take forward the Greens's position.

That begs the question: misinformation from whom? To whom could Senator Rhiannon be referring? In a motion in the Senate after Senator Rhiannon's arrival, Senator Brown squibbed the opportunity to vote against the BDS. In fact, Senator Brown has voted against anti-BDS resolutions in the Senate on numerous occasions now, notwithstanding his declaration on _Lateline_ that he did not support the BDS policy. After their public spat following the New South Wales election, Senator Brown seems to have been at pains to appease his new senator on BDS, but to no avail.

Meanwhile, Senator Rhiannon keeps pushing the boundaries on BDS. Last week while supporting the boycotting of Israeli businesses like Max Brenner's, which do not acknowledge the Palestinian cause, Senator Rhiannon placed a use-by date on her commitment not to push the BDS campaign in the Senate:

I am quite aware that Bob Brown has a different approach on this, that within the federal parliament there isn't the support for this issue at the present time, but in the wider community there is growing understanding about the need to take a stand for Palestinian human rights, so I am not taking this into the Senate at the present time. We will see how long that lasts.

Finally, I should not fail to congratulate brother David Cragg from the Victorian Trades Hall for finally telling the truth to BDS proponents in the union movement regarding flaws in the logic and integrity of the BDS strategy and the totally repugnant history of boycotting Jewish businesses. I would simply urge the Greens, yet again, and anybody out there who has concerns about the Palestinian cause not to go down this ugly path of boycotting Jewish businesses. The world has been there before, and surely
we do not want to go down that path ever again.

With all the background that I have just provided, one wonders why the ACCC has failed to take decisive action given that the activities are clearly designed to hurt those businesses. I understand that Senator Boswell will be expanding on that aspect. I thank the Senate.

**Senator BOSWELL** (Queensland) (17:08): It was very disappointing to get a letter today from the trade practices commissioner, Mr Sims, saying that he wanted to do a Pontius Pilate on a particular motion that the Senate had carried. In that letter the chairman said: ‘We are not going to investigate this because it is unlikely to have had the effect of causing substantial loss or damage to the business of Max Brenner such as to constitute a contravention of section 45D of the act. Relevant here are the infrequent nature of the protests, their limited duration and the consequent difficulty in apportioning the revenue impact of this activity versus other factors.’ He then goes on to allude to the Victoria Police as doing the job for us anyhow. I do not accept that. I think Mr Sims is only a new boy in the role of trade practices commissioner. He should take more seriously a resolution of this Senate when it is backed by people representing 90 per cent of the population of Australia. Sure, the Greens do not support it. But the Liberals support it, the Nationals support it, Labor support it and the Independents support it. They all supported the motion that I moved on 18 August. Mr Sims simply says, 'It does not do the things that it should do.' Let me point out to Mr Sims that last week in Sydney there was another demonstration, another picket, another boycott and more intimidation of a Jewish confectionary shop. No-one in Australia wants to go down that path. We have been there before, as Senator Abetz said. It sends shivers down people's spines that we could even contemplate doing it. Yet the trade practices commission turns its back and will not investigate it.

I have maintained an interest in the ACCC and the Trade Practices Act. Since the prosecutions of unionists in the seventies for secondary boycotts, it has been clear that section 45D applies where there is a real chance or possibility that boycotting conduct will, if pursued, cause loss or damage that is more than trivial, minimal, insubstantial or novel. It concerns me very much that in its media release the ACCC exonerates the BDS campaign. With respect to secondary boycotts, the ACCC applies a much higher standard to those sometimes violent protests than the standard the courts have applied consistently to the AMIEU, the TWU, the CFMEU and even to the peaceful activities of milk vendors. I can remember a group of dairy farmers wanting to get together to negotiate on a price with the manufacturers, and they were barred. This was a group of innocent dairy farmers who just wanted to sit down and talk about prices. The ACCC came down on them like a tonne of bricks and said, 'Not on.' I had to seek an exemption. It is going back some time now, but that cost a fair bit of money. If the ACCC can do that to dairy farmers, surely it can get off its tail and try to do something that will stop these boycotts. This is completely unsatisfactory.

There should be no excuses for Mr Sims. He should use the same criteria as he does for secondary boycotts by unions and other businesses that seek to meet and have discussions—but apparently we have a separate set of standards. Mr Sims says: 'Don't worry about it. Victoria Police will do it.' Sure, Victoria Police might do it and they should do it and they have done it—and good luck to them. They have done it efficiently and effectively, but we expect that
sort of reaction from the ACCC and we are not getting it, and we should get it. I say to Mr Sims: 'People in this parliament do not casually pass resolutions for you to ignore. When a resolution passes this parliament, it has the support of all senators other than the Greens. It represents about 90 per cent of the population, who want you, the ACCC, to take some action.'

I have moved another motion today. It will be the fourth that I have moved. Every time I have moved them, Senator Brown has said he does not support the BDS and will not support the BDS, as Senator Abetz said. We have tested him time and time again. This will probably be the fourth resolution. He sits over there, but there is no doubt in my mind who is running the Greens at the moment. It is Senator Lee Rhiannon. She has come in here and changed the Greens from a benign sort of environmental party to a hard Left Socialist Alliance party, and that is what people have got to understand. You are voting for someone that is supporting a boycott on Jewish businesses. So when you vote for the Greens, you are not voting for a benign green party; you are voting for a party with racist views. They say: 'We are going to boycott. We are going to picket. We are going to intimidate anyone who wants to shop at these Jewish businesses.' That should make people who think they are doing the right thing by voting green think twice when they vote for a green environmental party. The Greens do not want to do the right thing. The Greens want to intimidate Jewish businesses. This is 1939 revisited. This is how it starts—

Senator Milne: Acting Deputy President, I rise on a point of order. I suggest that making comparisons with 1939 is unacceptable and I ask the member to withdraw.

The ACTING DEPUTY PRESIDENT (Senator Moore): Senator Boswell.

Senator BOSWELL: I am afraid I cannot withdraw, because it is exactly what happened in 1939—there were boycotts and there was intimidation and victimisation of Jewish businesses. I will not withdraw and I should not have to withdraw.

Senator Abetz: Acting Deputy President, on the point of order, I can understand the sensitivity of the Greens but the standing orders of the Senate were never designed to deny the historical fact, and the historical fact is as Senator Boswell has set out. There is no doubt that the anti-Jewish sentiment in Germany in 1939 started off with the boycott of Jewish businesses, and it went further and further until the holocaust. For a point of order to be raised suggesting that somehow that can be airbrushed is simply unacceptable. That is the established history. People accept that that is what occurred in 1939 and, unfortunately, those who support these—

The ACTING DEPUTY PRESIDENT: Senator Abetz, you are moving into argument. Senator Milne, on the point of order, as long as it is not a personal reflection on another senator it can continue into debate. If it moves into a personal reflection and the senator feels that way, we will take it further. Senator Boswell, with that understanding, you can continue.

Senator BOSWELL: Thank you. I can understand why Senator Milne feels so uncomfortable. I know this would embarrass her. I know the woman and she would never have any part of this. Nevertheless, the Greens voted for this motion. Senator Brown moved a motion the other day which stated:

That the Senate upholds the democratic principle that consumers should be free to buy or not buy goods based on personal ethics.

Then I moved an amendment which stated:
... that consumers should not be prevented from exercising that democratic principle to be free to buy or not to buy, by means of unlawful secondary boycott, intimidation or picket.

Senator Brown could not bring himself to vote for that amendment. He squibbed on it. He said he wanted the Greens motion noted against the amendment, and that has happened on three other occasions.

Who is running this place, Senator Brown? Who is running your party? On five or six occasions you have said, 'I will not take any notice of Lee Rhiannon.'

The ACTING DEPUTY PRESIDENT: Senator Boswell, any statement should be made through the chair. You must refer to the senator as Senator Rhiannon.

Senator BOSWELL: Senator Brown has said on five or six occasions—and Senator Abetz listed them in chronological order—that they do not support a BDS; they do not support a Jewish boycott. But when push comes to shove, where is he? He has not got the guts to stand up and vote against Senator Lee Rhiannon. Tomorrow, Senator Brown, you have one more chance to redeem yourself, because a motion will be put up tomorrow congratulating one of your members—an MLC in New South Wales, I think. He has come out against the BDS. I will be asking the Senate tomorrow to congratulate him. You either have to congratulate him and condemn Senator Lee Rhiannon or condemn this MLC and congratulate Senator Lee Rhiannon. It will be interesting where you go. You cannot run, you cannot hide and you have to stand up and be counted. You have been dodging the issue for the last three months.

The ACTING DEPUTY PRESIDENT: Senator Boswell, I know those comments were through the chair!

Senator IAN MACDONALD (Queensland) (17:19): I also am concerned about the response from the commissioner. I would have hoped that the commissioner might have placed some great weight on the fact that the resolution to which he was responding was in fact a practically unanimous resolution of the Senate. I also want to reinforce Senator Abetz and Boswell’s view that boycotts of Jewish businesses are repugnant to any democratically minded Australian. I acknowledge that a feature of the Australian democracy, in our easygoing way, is that people are free, within certain very confined grounds, to say anything and to participate in demonstrations and strikes. That is the way we are in Australia. We would never want that taken away so that we were not free to express our views and our opinions. But there is a concern that this involves Jewish businesses. It brings back the perceptions, understandings and a view of history—as Senator Abetz mentioned. These are not subjective comments; this is the history. In Germany in the 1930s through to the 1940s, and to a lesser extent in some other European countries, action was taken against businesses solely on the basis that the owners of those businesses happened to be Jewish. I cannot quote but I know enough about German history during the 1930s to know that both Hitler and Goebbels would have had reasons which they would explain to the public of Germany as to why the activity in Germany at the time was not being dealt with in a way in which Australians and most freedom-loving people around the world would have responded. I know enough of Goebbels’s history to say that he would have given an explanation and if you wanted to believe it you could easily have done so. The incident to which Senator Boswell referred and which he has been passionate about for some time involves the boycott of a business on the sole basis, as I understand it, that it is Jewish. At a cursory glance, maybe it does
make a point about some incident that is happening overseas. But here it is the sort of explanation that Goebbels would have given. He would have given it glibly and cleverly, as most propagandists do. In Australia at this stage of our history, or at any stage, we do not want to allow our country to be involved in any sorts of boycotts that impact on people's businesses, their livelihoods and their ability to act freely because they happen to be Jewish people. I am not as familiar with all of the ins and outs of the Greens political party as Senator Boswell clearly is. I know he has followed this very closely because he is passionate about it. I cannot quite work out what the Greens' view on this issue is. In fact, I have to confess that—

Senator Williams: They don't know themselves.

Senator IAN MACDONALD: Senator Williams says, 'They don't know themselves,' but I was going to go on to say that I quite often find myself with that same problem with the Greens. The party—not individuals, I hasten to add—is full of hypocrisy on most of the angles they approach. I cannot wait to speak on something that is coming up very shortly in the Senate, the Tasmanian logging issue, and I know Senator Abetz, Senator Colbeck and others no doubt will want to have a few words on that.

To me, the Greens are hypocritical in their policy approach to many things, but it does appear from my very limited understanding of the Greens' approach to the issue of boycotting Jewish businesses that there are certainly contradictory and conflicting results and approaches. I suspect many of the broader membership of the Greens would want to boycott Jewish businesses for reasons that they would justify to themselves. I appreciate that Senator Brown—whilst I have little respect for his policy approach, I do have some respect for his political cunning—realised that this particular issue cost the Greens a seat in the New South Wales parliament at a recent election. Senator Brown realised that the party in New South Wales was on a course which most New South Welshmen found repugnant. He stepped in to try to, as Senator Boswell said, 'airbrush' that out of the policy of the Greens political party.

We have to be clear and unequivocal on this. I am, as I say, disappointed that the commissioner responded in the way that he did. I would have hoped that this was such an important issue, an issue that received almost unanimous support from this chamber for the ACCC to look into it, that there might have been a different response. I have not been able to fully study Mr Sims's explanation of why he did not but I would have thought it was such an important issue that the comments that Senator Brown and Senator Abetz made on this particular issue would warrant a very serious consideration by the Chairman of the Australian Competition and Consumer Commission.

I conclude by again saying how proud I am of Senator Boswell, who has raised this, and my other colleagues. I know it is an issue that Senator Abetz has very strong views on as well. I know that many in the government also have very strong views. We must never allow Australia to be placed in a situation where businesses are attacked, where people's livelihoods are attacked, where their freedom to do what everyone else in Australia can do is impeded upon simply because the owners of those businesses happen to be of Jewish extraction. We must never let that happen in Australia. Anything that we, the ACCC or Victoria Police can do to stop that is something that should be encouraged and supported.
The ACTING DEPUTY PRESIDENT (Senator Moore): Senator Brown, the time on this document runs out at 5.33.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (17:28): Thank you, Acting Deputy President. That gives me ample time to rebut the last 20 minutes of nonsense we have heard from the other side. No doubt Senator Macdonald in particular had wanted to talk this out to defend Senator Abetz from the indefensible, which is the next document we will be looking at, where he failed to respond to a request from the Senate for information. That being said, we have just heard a very tawdry submission to the Senate on a complete rejection by the ACCC.

Senator IAN MACDONALD (Queensland) (17:29): Mr Acting Deputy President, a point of order: I take offence at the imputation Senator Bob Brown just made about my contribution to the Senate, alleging that my contribution was for some purpose quite contrary to what it was. I suggest that he be asked to withdraw that imputation.

The ACTING DEPUTY PRESIDENT (Senator Back): Senator Brown, are you prepared to withdraw that imputation as requested by Senator Macdonald?

Senator BOB BROWN: No. That was a nonsense of a contribution, and I will do nothing of the sort.

The ACTING DEPUTY PRESIDENT: Senator Brown, I will allow you to continue your discussion. Please ensure that you remain within the standing orders.

Senator BOB BROWN: That is a very wise ruling. It was a very poor attempt by Senator Macdonald to take up time defending the indefensible, and my comments on him stand. I wanted to get to the matter at hand, which is a reference, through the President and requested by Senator Boswell, to the ACCC to take action and investigate alleged secondary boycotts against Max Brenner et cetera. The ACCC has said it closely examined the issue and has rejected it. There is no further action to be taken by the ACCC. It is taking a watching brief and finds that effectively Senator Boswell has been wasting its time and wasting this Senate's time on pursuit of a failed political point. Senator Boswell has been a complete failure on that score. The ACCC is the arbiter of that, not I. That having been said, the contributions we have just heard border on the unacceptable for a Senate debate.

Senator Ian Macdonald: Unacceptable to whom? Unacceptable to you, I can imagine.

Senator BOB BROWN: We now have Senator Macdonald doing what I did not do to him, and that is interjecting.

Senator Abetz interjecting—

Senator BOB BROWN: And now Senator Abetz is interjecting. They believe they have some God-given right to be able to run the country in a way that would prevent democracy, prevent peaceful protests, prevent different points of view to theirs. They come with that point of view to ride right over every other Australian's rights in this democratic and peaceful country, and of course we do not stand for that. Anybody who reads what Senator Macdonald, and indeed our good Senator Boswell from Queensland, had to say will see where the trajectory is. It is nasty, it is censorious, it is restrictive, it is inhibitory and it is unworthy of the political process in this country. The senators opposite should be ashamed of themselves.

Then, of course, Senator Macdonald—who is the biggest infractor of the Senate rules in this place and is compounding it with his interjections—cannot even get the name of the Australian Greens right. This
representative of the so-called Liberal Party—
   
   Opposition senators interjecting—

   Senator BOB BROWN: Listen to them bellowing from the other side. They do not like being taken on on this. They do not like the fact that they have no argument. They do not like the fact that the ACCC—

   Senator Ian Macdonald: Take my hanky. Have a little cry.

   Senator BOB BROWN: Senator Macdonald is now feigning tears because the ACCC through out of court this attempt to draw one of the country's big arbiters into our political debate and failed. (Time expired)

   The ACTING DEPUTY PRESIDENT: The question is that the Senate take note of the resolution from the Chairman of the ACCC.

   Question agreed to.

   Forestry

   The ACTING DEPUTY PRESIDENT: The time for consideration of all documents at items 10 and 11 on the Red expires at 5:44 pm. Debate cannot continue beyond that time unless leave is granted to extend the debate.

   I now move to the following two documents:

   (b) from the Executive Chairman of the WIN Corporation Pty Ltd (Mr Gordon) to a resolution of the Senate of 22 August 2011 concerning WIN television in Tasmania; and

   (c) from the Leader of the Opposition in the Senate (Senator Abetz) to a resolution of the Senate of 23 August 2011 concerning the Tasmanian logging industry.

   Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (17:34): I seek Senator Abetz's agreement and fairness here. We have nine minutes, and I suggest that he take half and I take half in dealing with this matter.

   The ACTING DEPUTY PRESIDENT: Senator Abetz, are you satisfied with nine minutes?

   Senator Abetz: No—

   Senator Ian Macdonald: On the point of order that has been taken—while I have no idea what Senator Abetz wants to do—can I just point out that this does not conclude the debate. If Senator Brown had any idea of the rules of the Senate he would appreciate that if a debate does not conclude today it goes over until 6.50 pm on Tuesday, Wednesday and Thursday. So he will not be restricted if Senator Abetz wants to take the full time.

   The ACTING DEPUTY PRESIDENT: Thank you, Senator Macdonald. Under standing orders, Senator Abetz, you have 10 minutes.

   Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (17:35): by leave—I move:

   That the Senate take note of the document.

   The coalition has a very proud and long history of supporting timber workers, especially Tasmanian timber workers. So when the Greens, through their increasingly faltering leader, moved their ill-considered motion asking about coalition support for the Tasmanian timber industry, we on the coalition side were of course very happy to oblige and support the motion. The President of the Senate rightly communicated the motion to me. I responded by indicating:

   Coalition senators would be delighted to comply with the terms of the motion and seek an early allocation of Senate time to ensure the Senate's wishes in this matter are fulfilled in a timely fashion. Please table this response, and we seek your advice as to a suitable allocation of time.

   Guess what? Labor and the Greens, having supported this motion, have still not come up with a suitable allocation of time for us to be able to discuss this issue in this place.
The Greens motion is right, to a certain extent. The excellent stewardship of the Tasmanian timber sector by the coalition does need to be told, and I look at Senator Macdonald, who had stewardship for many years. The coalition has a proud record and we are more than happy to talk about it. But where the Greens motion fails, like its leader, is in the pathetic and disingenuous attempt to pin on the coalition, somehow, the loss of jobs in that sector in 2011, three years after we lost office and one year after the Labor-Greens alliance got their fingers on the levers of government. I agree with the Greens: our stewardship was good, indeed very good, especially under Senator Macdonald. But to ask that our good legacy somehow should be able to protect the industry and reach forward for three years and more to protect people against the onslaught of the Labor-Greens alliance was expecting too much even from us, the coalition. The fact they thought we might be able to do that was kind of them, but even good coalition policies cannot protect an industry, or the budget for that matter, from the wrecking policies of a Labor-Greens alliance.

The coalition's support of the timber industry in Tasmania saw the integrated Southwood plant. It saw the Ta Ann plant in southern Tasmania and in Smithton, a plant the Greens now demonstrate against using the tag of it being 'Malaysian'. One wonders why they have to use that tag, but it might hark back to the previous motion that they will always try to play that particular card. But what is the evil of Ta Ann? Ta Ann are now converting re-growth logs that used to go to woodchip into peeler logs and veneer. If ever there were a value-add to a low-priced timber, it is this. So, what do the Greens do? They chain themselves to the ships that export this veneer. They chain themselves to trucks and try to denigrate the reputation of Ta Ann.

But that is what the Greens always do. They say they want downstream processing. Well, we delivered funds for that to occur. What do the Greens do? They demonstrate against it. But in their motion the Greens, surprisingly, ask us for an explanation as to the closure of woodchip mills in 2011. Guess which woodchip mill closed in 2011: the Triabunna woodchip mill that Senator Brown's mate bought. You know the mate, the one who gave him $1.6 million in donations. Then, Gunns finally sold to Senator Brown's donor at $6 million below the going price. When a consortium of Tasmanian timber industry bodies got together to try to buy this mill for $16 million, they were gazumped by these greens, Mr Wood and Ms Cameron, at a price $6 million below the asking price. Why the quickness? Well, we now know, don't we? It was because Senator Brown's mate agreed not to operate this woodchip mill until such time as Gunns got compensation for exiting native forests. It was a commercial decision Gunns took of their own volition some time ago. So here we have the spectre of the Australian Greens actually supporting taxpayers money going to Gunns. Why would that be the case? Because as part of the deal Gunns said, 'You cannot operate Triabunna until we get taxpayer funding.' So we have the bizarre spectacle of the Greens in Tasmania and the Greens up here in Canberra cooperating, and I must say, Senator Feeney, it is disappointing to see federal Labor and state Labor agree to this—agreeing that taxpayers money will now go to Gunns. Gunns will now get a lot more money than if they were to sell the Triabunna woodchip mill for $16 million. But as we were told by Mr Wood he saw his donation to the Greens as a good investment—and yes it is paying off to the tune of $6 million here—and Senator Brown
said in response to the donation that he would be 'forever grateful'.

But despite the efforts of the Greens and Labor the industry now needs the injection of $276 million in an attempt to close it down, to buy it out. So if you want to complain, as the Greens did, about our support to the tune of $240 million, the Greens are there to the tune of $276 million, not to enhance the industry but to close down an environmentally sustainable, wealth-creating, jobs-rich industry. I ask the Greens, as I did on Q&A the other night: tell me of a country that does forestry better than Tasmania and Australia. And we never get an answer. The reason is that there is no such country. We have a very proud record in this area. When they close down Tasmania's native forest industry they can sit proudly by knowing that the timber needs of Australia are now no longer being supplied from within Australia but from South-East Asia and the Pacific Islands, whose record on forestry is so much superior to that of Australia! That is why I say to my friends in the Labor Party, 'Be very careful when you join up with the Greens.' I seek leave to continue my remarks.

Leave granted; debate adjourned.

**DOCUMENTS**

**Tabling**

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in today's Journals of the Senate and the dynamic red. Statements of compliance and letters of advice relating to continuing orders on departmental and agency files and contracts are tabled.

Details of the documents appear at the end of today's Hansard.

Senator IAN MACDONALD (Queensland) (17:46): Is the government document referred to just then the one that is listed on page 5 of today's red relating to the delay in the presentation of the report on the Australian Livestock Export Corporation? Is that the document that has just been tabled?

The ACTING DEPUTY PRESIDENT (Senator Back): I am informed that it was tabled earlier by Senator Moore and it is listed for debate tomorrow afternoon.

Senator IAN MACDONALD: Are the documents that the clerk has just tabled those referred to in paragraph (e) on page 6?

The ACTING DEPUTY PRESIDENT: No, I am advised they are not.

Senator IAN MACDONALD: I am sorry, Mr Acting Deputy President. You are not paid to take me through the running of Senate procedure, but what documents were just referred to? Could you identify them by where they appear on the red?

The ACTING DEPUTY PRESIDENT: My advice is they are not listed on the red but they are listed on the dynamic red.
Senator IAN MACDONALD: The dynamic red being?

The ACTING DEPUTY PRESIDENT: The electronic form. It is updated during the day.

Senator IAN MACDONALD: Thank you for your indulgence there. This is not a time for comment on the agenda of the Senate. Perhaps that is for another day.

BILLS

Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010

Inspector-General of Intelligence and Security Amendment Bill 2011

Returned from the House of Representatives

Message received from the House of Representatives informing the Senate that the House has agreed to the amendments made by the Senate to the bills.

National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011

First Reading

Bill received from the House of Representatives.

Senator FEENEY: 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 FEENEY (Victoria—Parliamentary Secretary for Defence) (17:50): 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—

National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011

Second Reading Speech

The National Residue Survey (Excise) Levy Amendment Bill (Deer) 2011 amends the National Residue Survey (Excise) Levy Act 1998 to increase the maximum allowable levy rate cap on the National Residue Survey (NRS) component of the deer slaughter levy from 4 to 10.5 cents per kilogram of carcase weight.

The Deer Industry Association of Australia has requested on behalf of the deer industry to re-allocate the deer slaughter levy due to a significant production decline over the last 10 years, which has reduced the funds raised through the levy.

The industry proposes to re-allocate the levy to increase the NRS component from 4 cents to 6 cents per kilogram and decrease the research and development (R&D) component from 4 cents to 2 cents per kilogram. To meet this request, a change to legislation is required as the Act currently caps the NRS component at 4 cents per kilogram.

The deer industry requires the NRS component of the levy to be increased to 6 cents per kilogram to ensure it generates sufficient levy funds to maintain a viable residue monitoring program. Australia requires a residue monitoring program for European Union market access, and with approximately 85 per cent of all venison produced in Australia principally exported to the European Union, it is a key market for the industry.

Decreasing the R&D component of the levy to 2 cents per kilogram is not expected to have an impact on the industry’s future R&D projects. This has been confirmed by the Rural Industries Research and Development Corporation.

The industry undertook an extensive period of consultation and the decision to re-allocate the levy was put to a vote in March 2011, where approximately 97 per cent of valid responses from deer producers supported this change. The government has endorsed this recommendation from industry.

The government has decided to increase the NRS levy rate cap in the Act from 4 to 10.5 cents per kilogram at this time to cover the industry’s proposal and allow for future increases that the
industry may seek without the need to further amend the Act.

Following the passage of this Bill, the government intends to put forward amendments to the Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998 and the Primary Industries (Excise) Levies Regulations 1999 to give effect to the levy re-apportionment proposal from industry; that is, to increase the NRS component to 6 cents and decrease the R&D component to 2 cents.

The measures introduced in this Bill and the subsequent amendments to relevant regulations will enable the deer industry to fund a viable residue monitoring program, maintaining access to key export markets. A positive result for both deer producers and their local communities.

Debate adjourned.

Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011

First Reading

Bill received from the House of Representatives.

Senator FEENEY: 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 FEENEY (Victoria—Parliamentary Secretary for Defence) (17:51): 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—

Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011

The Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011 introduces amendments which will transfer responsibility for the general administration of the early release of superannuation on compassionate grounds from the Australian Prudential Regulation Authority and Commissioner of Taxation, to the Chief Executive Medicare. This Bill provides for a change in administrative responsibility for this function, current policy in respect of the early release of superannuation will not change.

Early Release of Superannuation on Compassionate Grounds

The purpose of superannuation is to provide benefits for members on retirement after reaching their preservation age, or for their dependents in the event of the member's death. However, a member's preserved superannuation benefits may be released before preservation age in some strictly limited circumstances, including on compassionate grounds.

Compassionate grounds are defined in the Superannuation Industry (Supervision) Regulations and the Retirement Savings Accounts Regulations, and cover expenses in respect of medical treatment, medical transport, modifications necessary for the family home or motor vehicle due to severe disability, palliative care and funeral expenses. Funds may also be released on compassionate grounds to prevent the foreclosure of a mortgage or exercise of a power of sale over the member's principal place of residence.

The regulator may also approve the release of benefits where the regulator determines that the release would be consistent with one of the specified compassionate grounds.

As I have already noted, this Bill does not change the criteria for early release.

Administration of the Function

When a person is seeking to access their preserved superannuation benefits on compassionate grounds, they can apply to the regulator for a determination that an amount of their benefits can be released. The final decision on whether a release is permitted rests with the trustees of the person's fund, subject to the governing rules of the fund.
APRA is the regulator for all APRA-regulated superannuation funds, and is therefore responsible for the administration of early release of superannuation on compassionate grounds for these funds. The Commissioner of Taxation is the regulator in respect of self managed superannuation funds.

Administration of the function involves the operation of a call centre and assessing and ruling on each application for release. This function does not fit well with APRA’s legislative role as the prudential regulator of the Australian financial services industry. The Government considers that this function would be administered more cost effectively by an agency which deals with other elements of income support and has an efficient customer support infrastructure.

The Government has determined that Medicare Australia is the agency best placed to take on the function. Medicare Australia was chosen as it can develop the function as a companion activity to the Small Business Superannuation Clearing House and it has use of existing technology and experience in electronic business transactions which provides significant potential to streamline the program.

**Transfer**

Medicare Australia is currently undertaking the general administration of early release on compassionate grounds under delegation from APRA. Administration was outsourced by APRA through a service agreement between APRA and Medicare Australia. As a consequence, Medicare Australia has gained a comprehensive understanding of the function ahead of the formal legislative transfer.

This Bill represents the second stage in the transfer process. It will give effect to the formal transfer of the function from APRA to Medicare Australia.

Part 1 of Schedule 1 to the Bill will amend the *Superannuation Industry (Supervision) Act 1993* and the *Retirement Savings Accounts Act 1997* to provide that the Chief Executive Medicare is the regulator for the purposes of the general administration of making determinations in respect to the release of superannuation benefits on compassionate grounds.

Part 2 of Schedule 1 will amend the *Australian Prudential Regulation Authority Act 1998* to allow the function to continue to be funded by superannuation industry levies.

**Conclusion**

The transfer of responsibility for this function is a machinery of government change, with no financial impact, and no compliance cost to business.

Medicare Australia is better suited to administer this function, and after it becomes formally responsible for administration of early release on compassionate grounds, there may be scope to considerably streamline the function.

Full details of the amendments are contained in the explanatory memorandum.

Debate adjourned.

**Income Tax Rates Amendment (Research and Development) Bill 2011**

**Tax Laws Amendment (Research and Development) Bill 2011**

**Indigenous Education (Targeted Assistance) Amendment Bill 2011**

**Assent**

Messages from the Governor-General reported informing the Senate of assent to the bills.

**Veterans' Entitlements Amendment Bill 2011**

In Committee

Debate resumed.

The TEMPORARY CHAIRMAN (Senator Back) (17:53): The question is that schedule 2 stand as printed.

Senator RONALDSON (Victoria) (17:52): In the four hours since we last spoke about this matter, I have had some interesting information to hand. Clearly the matter that the parliamentary secretary raised in relation to the RSL and their lack of support for schedule 2 was correct. I also have a letter. Honourable senators will
remember that basically it is the RSL, Legacy, the Vietnam Veterans Federation and the Defence Force Welfare Association who have expressed concerns about schedule 2. I will read to the chamber the following letter from Tim McCombe, the President of the Vietnam Veterans Federation:

I confirm that the VVFA has not seen the complete explanatory memorandum—

I received this at 2.42 today—

Our main concern with schedule 2 is that the amendment wording would give the Repatriation Commission almost complete discretion in offsetting matters. The wording would allow it to determine almost without restriction what constitutes the elements of its decision making. It goes much further than confirming a previous practice. Whilst the wording in the explanatory memorandum may inhibit the abuse of the amendment by the Repatriation Commission, it cannot guarantee that such an abuse will not occur even now or particularly in the future. In the case of such abuse, explanatory memoranda are not consulted in tribunal and court hearings unless there is ambiguity in the wording. There is certainly no ambiguity in the wording of these amendments. Offsetting is a basic feature of our compensation system. It is far too important a process to be largely left to regulation and the goodwill of bureaucracy. We remain strongly opposed to schedule 2 of the bill in its present form.

I was then advised that at 5.01 this evening—and I remind honourable senators that we commenced debate on this matter at 10 am this morning—the Vietnam Veterans Federation received for the first time the full explanatory memorandum. What a remarkable abuse of what should be good process. This is an organisation that the parliamentary secretary knows curries no favour for anyone in politics. They play their politics hard and they play fairly. If you are doing something that they do not agree with, they will let you know. They do so without fear or favour, as the minister knows and as I know. This is not some partisan group that has entered this debate. This is a group that historically, as I said, have only acted in the best interests of their members. They are not a party-political organisation. I think they pride themselves on the fact that both sides of politics keep on accusing them of supporting the other side, which is a pretty fair indication that they are doing something right. They were not given—and I hope the Greens are listening to this—the full EM until 5.01 this evening. I said to the parliamentary secretary that he cannot possibly tell this chamber that that is appropriate. I invite him to do so when I finish.

I told the parliamentary secretary this morning that if Legacy, the Vietnam Veterans Federation and the RSL were supportive of the schedule on the back of the amended explanatory memorandum then we would support schedule 2. Well, none of those organisations support this new EM having now had the opportunity to look at it. On that basis, we will not be supporting it. I now invite the Greens and their spokesperson—who apparently ticked off on this amended wording on the basis that she thought it was going to resolve some of the issues—having been told that these organisations do not support this new EM, or that it does not allay their fears, to vote against it. For the Greens to do otherwise indicates that this has been a political decision and not a policy decision. How else can it be interpreted? Their spokesperson herself said this morning that she supported this new EM on the basis that it would allay the fears of the ESOs. Well, it does not. So on that basis they cannot possibly support it. Therefore, I invite them again to support us in relation to the schedule. None of these groups support this amended explanatory memorandum. They still have the same concerns. The Defence Force Welfare
Association does not support schedule 2, even with the amended EM. The RSL does not support schedule 2, even with the amended EM. The Vietnam Veterans Federation does not support schedule 2, even with the amended explanatory memorandum. Surely this chamber is not going to proceed with approval of schedule 2 while those organisations are still concerned about it.

I will give you some of the evidence that came through in the inquiry by the Senate Foreign Affairs, Defence and Trade Legislation Committee into the Veterans Entitlements Amendment Bill 2011. In his evidence at the public hearing on Thursday, 11 August, Rear Admiral Ken Doolan said:

I think the current arrangements give the answer. The current arrangements are the ones with which the Returned and Services League is comfortable. We have lived with those and explained them to our members. That is why we do not see the need for schedule 2.

Senator Fawcett then asked:

With the increasing number of people deployed in operational service at the moment, obviously there is potential for an increasing number of people to require compensation. Is it your opinion that these changes to the legislation could disadvantage any currently serving members in years ahead?

To which Rear Admiral Doolan answered:

That is what we have said.

I say to the Parliamentary Secretary for Defence and to the Greens spokesperson: if you vote against my amendment to remove schedule 2 you are effectively telling this chamber that you know more about this matter and have better judgement than have the RSL, the Defence Force Welfare Association and the Vietnam Veterans Federation. That is effectively what you are saying. You are saying that they do not know what they are talking about and that you are going to override their wishes on this matter.

It is worse for the Greens, the government's partners in crime. They have signed up to an amended explanatory memorandum which they say was going to resolve the issues of the ex-service organisations. Guess what? It does not. So how can you possibly provide the government with succour in relation to the schedule 2 vote? It would be an act of gross hypocrisy, were the Greens to support the government in relation to the schedule. As others have said, the government indicates on page 327 of Budget Paper No. 2:

The Government will clarify offsetting rules for veteran compensation under the Veterans' Entitlements Act 1986 (VEA), at a cost of $2.7 million over four years.

... ...

The Department of Veterans' Affairs will also improve the administration of offsetting cases through case manager training and enhanced systems support.

During the public hearing, Senator Fawcett asked the department to explain their statement versus their claim and the minister's claim that the amendments affect no-one and will have no cost. It is either one of the other. If, indeed the RSL, the Vietnam Veterans Federation and the Defence Force Welfare Association are right, and there will be potential impact, you cannot proceed with schedule 2.

As the parliamentary secretary knows, the amended explanatory memorandum does not have the force of the act. The act will be interpreted on the back of the plain language in the act. The EM will not in any way supersede that. The parliamentary secretary knows that as well as I do. That is the concern of the Vietnam Veterans Federation and the RSL. They know that full well, the parliamentary secretary knows that and the Greens spokesperson should know that. Get your systems in place. We support your systems, but do not, please, treat the ESOs
with such contempt, when they have quite clearly indicated to you that, despite this amended EM, they are still extremely uncomfortable with this schedule. The parliamentary secretary and minister know that we do not need this schedule at this time. By the department's own words, there is not a current issue. If there is not a current issue, is this not about getting the processes right rather than changing the law, potentially to the detriment of serving men and women and ex-service men and women? When you have been alerted to the issues that the ESOs have got and you know full well that there is no urgency at all in relation to this matter, when you know full well that you are in the process of having further discussions with the department, which I presume will include the $2.7 million IT expenditure to 'improve the administration of offsetting cases through case manager training and enhanced systems support,' do that. And if you need to come back to this place for some legislative imprimatur in relation to what you find, let us talk about it then. Let us have a talk at that stage. Let us have the ESOs in a position to make some judgments about what you may or may not have found through the system and what the legislative requirements are, because no-one believes that this is required at this time. They say there will be an impact. You say there will not be. If your case is that there will not be, we do not need this schedule at this time. Get your systems in place, come back here and we will see whether this requires legislative change. As all these ESOs have said, they are not prepared to compromise a piece of legislation which they say is working at the moment for regulation which they say will not.

(Time expired)

Senator XENOPHON (South Australia) (18:08): Further to Senator Ronaldson's comments in relation to these amendments, I just want to deconstruct what the government is trying to do here. I am genuinely trying to understand what the effect will be in practical terms. Senator Feeney on behalf of the government has said that these amendments result in no change, that they will clarify and affirm the current position but not change it, or words to that effect. Of course, I will stand corrected if I have misrepresented the government's position in any way. The addendum to the explanatory memorandum states:

The proposed amendments will not change the current operation of the compensation offsetting provisions. The changes are intended to clarify the operation of the legislation following the Smith decision and ensure that the established compensation offsetting practices can continue.

The decision of Commonwealth v David Ronald Smith was an interpretation of section 30C of the VEA in respect of incapacity from injury. I think Senator Ronaldson and others have fairly set out the circumstances of the Smith decision. We know that the court found in favour of the respondent, Mr Smith. The Senate committee report on this, which I thought was a very fair summary, states that the court:

… formed the view that the Commonwealth's submissions failed 'to give sufficient weight to the complete operation of section 30C, in particular the reference to 'incapacity from that injury' as found in section 30C(1)(c)' … The court decided that in Mr Smith's case, it had not been appropriate to offset 'because the condition for which he was granted disability pension was a different condition from that compensated at common law'.

The report further states:

The government was of the view that this decision of the Full Federal Court underlined the need to clarify this aspect of the legislation. In its Portfolio Budget Statements for 2011–12, the government indicated that it intended to amend the offsetting provisions in the VEA. In its submission, the department explained further:
It is considered that the decision of the Full Federal Court that offsetting should not have occurred applies only to the unique circumstances of Mr Smith's case. These included that, with the agreement of the Commonwealth, the common law claim for compensation was expressly changed to remove the two conditions that were being compensated under the VEA.

Nevertheless, the Government decided to amend the offsetting provisions of the VEA to ensure that the legislation is clear in its intent.

It stated further that if passed the amendments 'should avoid the likelihood that, on the basis of the Smith case, those seeking future compensation payments could circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of the compensation settlements'.

So there are a few aspects of that in relation to this very first paragraph of the addendum to the explanatory memorandum. Firstly, is it anticipated that there will be changes, if not to the current operation of the compensation offsetting provisions in a direct and strictly technical sense then in the way that compensation settlements are drawn up, given what the government is seeking to do with the amendment to schedule 2 of the act? In other words, it has been anticipated, has it not, to directly quote from the department, that, 'those seeking future compensation payments could circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of the compensation settlements'? Is that what the amendment will do in the context of how schedule 2 will operate? Given what the department has said, won't that in some way change the current operation of the compensation offsetting provisions, if not in a strictly technical sense then in a practical sense?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (18:13): I understand that it will not change the way compensation settlements are drawn up.

Senator XENOPHON (South Australia) (18:13): I thank Senator Feeney. If it will not change the way the compensation settlements are drawn up, why is it that, in its submission, the department stated that if these amendments are passed it 'should avoid the likelihood that, on the basis of the Smith case, those seeking future compensation payments could circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of the compensation settlements'? Does that not mean that, by virtue of these amendments, it will have an impact on the way the compensation settlements are being drawn up, because it is making it clear that certain forms of compensation settlements will no longer be acceptable by virtue of the passage of schedule 2? That is a direct question. The purpose of my questioning is not to criticise the government in terms of the policy intent or what the department has said, but it does seem to be somewhat at odds to the government's addendum to the explanatory memorandum and what the department itself has said in relation to this particular issue.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (18:14): I am advised that the longstanding practice is that compensation is offset for the same incapacity. What gives rise to the same incapacity is a medical question. The Smith decision, although unique, casts some doubt on this operation, and if different injuries give rise to the same incapacity—that is, the same effect of that condition—the basis on which the veteran is compensated may not be offset. As a result it was felt that the legislation needed clarifying.

Senator XENOPHON (South Australia) (18:15): The addendum to the explanatory memorandum states:
The changes are intended to clarify the operation of the legislation following the Smith decision and ensure that the established compensation offsetting practices can continue.

They are the established offsetting practices, but earlier on the addendum to the explanatory memorandum says:

The proposed amendments will not change the current operation of the compensation offsetting provisions.

The department in its own submission has said that it should avoid the likelihood that those seeking future compensation payments could circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of the compensation settlements. Does that not mean, therefore, that what the addendum to the explanatory memorandum is saying is at odds with what the department is saying? These are two unequivocal statements—we have the first paragraph of the addendum to the explanatory memorandum and we have the statement of the department in its submission, submission 2, at page 6.

Clearly the department is anticipating that it will not allow people to circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of the compensation settlements. Therefore, is it not the case that it is not accurate for the addendum to the explanatory memorandum to state that the proposed amendments will not change the current operation of the compensation offsetting provisions? The terms of compensation settlement agreements must be part of the current operation of the compensation offsetting provisions. If I am missing something or the parliamentary secretary thinks I am being a dodo on this he should tell me—I will not take offence. It seems to me there are two contradictory statements. I do not know whether the shadow minister has a particular view on this, but I would have thought that there seems to be a contradiction between what the department is saying and what the addendum to the explanatory memorandum is saying.

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (18:19): I am advised that there may be some confusion on Senator Xenophon’s part over incapacity questions and compensation questions. The government maintains that the two statements he has identified are not incompatible. The first asserts that longstanding custom and practice in this area is being preserved and clarified by the amendments in this bill, and it is because offsetting has always been based on the same incapacity that we are trying to ensure the interpretation of provisions does not change over time.

**Senator XENOPHON** (South Australia) (18:20): It seems I have been confused all along. It is already in my disclosure of interests, but I have been a lawyer for a few years and I did virtually nothing but injury law. I am not saying I am familiar with this area of law, but the government has said that there is some confusion on my part because I have confused the issue of incapacity and the issue of compensation. Guess what? If you have a bigger incapacity, you get more compensation. That is how it generally goes. So it might not be the case that incapacity and compensation are distinct issues. Usually the level of incapacity, depending on how it is assessed, is tied to the level of compensation. Does the government concede that there is a nexus between the level of incapacity and the level of compensation the recipient could receive?

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (18:21): Yes, it does. As I said a moment ago, albeit not particularly eloquently, the government maintains that the two comments identified are complementary to
one another. The Smith case pointed to a possible way to circumvent these provisions, and we are preventing that. In that way these amendments are preserving custom and practice.

**Senator XENOPHON** (South Australia) (18:22): I just want to get a concession from the government that there is a distinction between what the department has said and what the addendum to the explanatory memorandum says. The parliamentary secretary, always eloquent, has stated that the government wants clarity as a result of the Smith case, even though it refers to that case as being 'a unique set of circumstances'. The practical effect of the so-called clarity that the government is seeking as a result of the Smith case is to deal with those who would circumvent, according to the department, the offsetting provisions by exclusion of specific injuries or diseases from the terms of compensation settlements. The addendum to the explanatory memorandum, though, says:

The proposed amendments will not change the current operation of the compensation offsetting provisions.

Surely, if you have a situation where the department is saying, 'We need to get some clarity on this,' as the parliamentary secretary has rightly pointed out, as a result of the Smith decision, that will have practical consequences. There will be circumstances where, as a result of that so-called clarity, settlement negotiations or settlements that have been reached will be affected, because they now will be excluded as a result of schedule 2.

That seems to me to be inconsistent with the statement by the government that the amendments 'will not change the current operation of the compensation offsetting provisions'. They will do so. To say that they will not is inconsistent with what the department has said about this. The government could call it 'complementary', but does it concede that there are circumstances where settlement arrangements that may be allowed now under the current legislative scheme will not be allowed pursuant to what is proposed in schedule 2, because there will not be an opportunity to circumvent the offsetting provisions by exclusion of specific injuries or diseases from the terms of compensation settlement? I just want to get a concession that that is the case. It is consistent with what the department says but it seems to be inconsistent with the addendum to the explanatory memorandum.

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (18:24): I am advised that I cannot give you the concession that you are seeking, Senator. The level of incapacity does go, obviously, to the level of compensation. The nature of the incapacity is, therefore, a basis of compensation. But the Smith decision talked about 'injury' not 'incapacity', thus giving rise to the potential to circumvent the settlement. So the government does not concede the point.

**Senator XENOPHON** (South Australia) (18:25): The parliamentary secretary has acknowledged what the department has said—that there is an issue about circumvention of the offsetting provisions by excluding specific injuries. The parliamentary secretary has drawn a distinction between incapacity and injuries, but I think that we know that, generally, the more incapacitated you are, for whatever reason or from whatever injuries, the more compensation you get. The department made this statement in their submission to the Senate inquiry:

... the amendments should avoid the likelihood that, on the basis of the Smith case, those seeking future compensation payments could circumvent the offsetting provisions by exclusion of specific
Injuries or diseases from the terms of the compensation settlements.

In an operational sense—in a practical sense—does the parliamentary secretary agree with that statement? If he does agree with that statement—and this may give him some comfort—I think most people would say that, on a plain English interpretation, that is inconsistent with the addendum to the explanatory memorandum, even if the parliamentary secretary does not say it. So I would be happy now for the parliamentary secretary to acknowledge that what the department has said is an accurate reflection of the government's position.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (18:26): Tragically, Senator, this is not about what I think. I am obviously here representing a government position. I am advised that the department does stand by its submission to the committee. On that basis, the document from which you are reading is something that the government maintains is a contemporary document.

With respect to the rest of your question, I am advised that the provisions are about ensuring people get the same amount of compensation whether compensated under more than one scheme or only one scheme—so there is no advantage to being compensated under more than one scheme.

Senator XENOPHON (South Australia) (18:27): I am pleased that the parliamentary secretary has acknowledged that what the department has said in its submission to the Senate inquiry, referred to in paragraph 5.14 of the committee's report on this bill, is something the government stands by. I think that there is a logical conclusion, on a plain English interpretation, that there is some tension, if I can put it diplomatically, and inconsistency between what the department has said and the first paragraph of the addendum to the explanatory memorandum.

Having said that, I do have some other questions. In terms of the interaction between the compensation offsetting provisions and chapter 19 of the *Guide to the Assessment of Rates of Veterans Pensions*, fifth edition, which will not change under the proposed amendments, can the government confirm that that interaction, in a practical sense, will not be affected by schedule 2?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (18:29): I am advised that we can give you that undertaking—that it will not be affected.

Senator XENOPHON (South Australia) (18:29): Does that mean that there will be some circumstances, however, by virtue of schedule 2, for those who seek to circumvent the offsetting provisions by the exclusion of specific injuries or diseases, where there will be some interaction between what the department has said in its submission and the practical effect or application of chapter 19 of the *Guide to the Assessment of Rates of Veterans Pensions*, fifth edition?

Sitting suspended from 18:30 to 19:30

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:30): I think this debate was left with a question I had taken from Senator Xenophon as to the synergy between—

Senator Xenophon: I did not say 'synergy' though.

Senator FEENEY: No, that is certainly my word, Senator; I concede that—between the department's work and the wording of the EM. To address myself to that point: the government maintains that the department's position to the committee is not at odds with the EM. In fact, we continue to maintain that they are complementary. The amendments to the legislation to maintain current
arrangements are to ensure that the Smith decision—that is, the decision of the full bench of the Federal Court—is not used to circumvent the current provisions by excluding some injuries or diseases where the incapacity is the same under more than one compensation source.

What the department says regarding circumventing the offsetting provisions and whether that contradicts chapter 19 of the Guide to the Assessment of the Rate of Veterans' Pensions, mentioned in the EM, we say that the offsetting provisions are completely separate from chapter 19 of the guide. Chapter 19 is the guide that determines the rate of pension for a veteran. The government included reference to chapter 19 in the explanatory memorandum to alleviate the RSL's concerns that there may be an overlap and to ensure that these will remain separate processes in line with current practice.

This has no relationship to the terms of a common law settlement that might be used. This is used where possible to separately identify the relative contribution of each condition to an incapacity and then assess the appropriate rate of compensation. This is based on medical advice. However, it is not always possible for medical practitioners to assess the relative contributions of different conditions, particularly where the symptoms of the conditions substantially overlap. Where it is not possible to apportion the impairment from a non-accepted condition from the incapacity assessment, the offsetting provisions are used. Chapter 19 is never used together with offsetting; it is one or the other.

An example of how the Smith decision might impact current arrangements is this. As you have noted, Senator, the decision was concerned with different injuries or diseases even where the incapacity is the same. These amendments ensure that no matter how the injury or disease is described, if the incapacity is the same, compensation offsetting will continue to apply to ensure that a person cannot be compensated twice. These amendments clarify the longstanding current position. They ensure that someone who simply labels two conditions differently is not compensated twice when the incapacity is clearly the same—for example, a back sprain and lumbar spondylosis.

Offsetting is about fairness. It ensures that individuals get the same amount of compensation whether or not they get compensation from only one source or from more than one source. I hope that assists the senator.

Senator XENOPHON (South Australia) (19:34): I thank the minister for his comprehensive answer but I want to pick up on something the parliamentary secretary said about the double-dipping aspects of it. What did you say there was?

Senator Feeney: Synergy.

Senator XENOPHON: Synergy; that is right. If someone has a back sprain and/or a spondylosis can the parliamentary secretary explain whether there will be doubling up, because I see them as quite distinct conditions? One is a pre-existing condition but it means that you are more vulnerable to the effects of an injury in the event that you have a back strain than someone who does not have that pre-existing condition. The way that workers compensation, or indeed common law, has worked for many years across a range of jurisdictions is that effectively you take your victims as you find them. If somebody, as a result of having a pre-existing condition, is more vulnerable to a greater level of incapacity than someone who did not have that pre-existing condition in similar circumstances of trauma then that clearly would be relevant. I would appreciate
it if the parliamentary secretary could indicate what he meant by the reference to spondylosis and back strain.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:35): Really the point I was seeking to make is that a person cannot be compensated twice for the same incapacity. An individual will get the same amount of compensation for an injury regardless of whether they get that compensation from only one source or from more than one source. In that sense, these amendments clarify what has been a longstanding practice.

Senator XENOPHON (South Australia) (19:36): But there is a difference, though, because from a compensation point of view, if someone has a back sprain without having a pre-existing condition, that is quite different from someone who has a back sprain with a pre-existing condition of spondylosis because a person who has a back sprain with spondylosis would have a more significant incapacity by virtue of that pre-existing condition. There could be circumstances where a person who sustains a back strain in the absence of a pre-existing condition such as spondylosis is able to continue to work, might have a bit of pain and is suffering a bit of discomfort but has no incapacity; whereas, if that person has a pre-existing condition such as spondylosis, the potential for incapacity, the potential for that person not to be able to work, the potential for that person to have a long-term ongoing disability that would otherwise have been quiescent but for the strain by virtue of that person's spondylosis is quite different. So I am not sure how that would work in the context of the practical application of schedule 2. I am not sure if Senator Ronaldson, representing the coalition as the shadow minister on this legislation, would have similar concerns. I do not know whether spondylosis and back strain is the most elegant example or the most useful example, but maybe I am wrong.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:38): Perhaps it is not an elegant example for someone so familiar with back pain. The point I am making here, Senator, is that a person should not and will not be rewarded for labelling the same injury differently. To borrow your phraseology in terms of double dipping, it depends on medical advice as to whether the incapacity is the same. It is something that will be determined by the compensation regime and it will be determined by that regime in the longstanding way that it has always been so determined.

Senator RONALDSON (Victoria) (19:39): Parliamentary Secretary, I presume you would acknowledge that the department has viewed the differing interpretations of the Smith decision with some concern. Are you aware that the department noted the significance of the findings in the 2009-10 annual report by observing that there remain different views on the extent and application of the Smith decision? Is this legislation relating to the nature and extent of the application of the Smith decision, or is it a lack of clarity that you are effectively talking about in this schedule?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:40): I am advised that it is effectively both.

Senator RONALDSON (Victoria) (19:40): If that is right and you have taken the definitions of the nature and extent of the application and effectively outsourced those to the department by giving them the opportunity or the wherewithal to issue appropriate policy guidance, doesn't that go a long way to explaining the concerns of the ESOs in relation to this matter, if indeed
clarity and the nature and extent of the application of the decision is actually being taken out of the legislation and being put into the hands of the department to determine?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:41): We believe that this legislation has as its objective that it would achieve greater clarity and that that greater clarity would be supported by a clear policy direction from the department.

Senator RONALDSON (Victoria) (19:41): The secretary of the department does not view this as relating both to the nature and extent of the application of the decision and to clarity. In fact, the secretary says it is clarity only; it is not about the nature and extent of the application of the decision. I will read from the Senate Hansard on 31 May of this year. This is a my question to Mr Campbell:

When you say work continues on clarifying the operation of the law, what do you actually mean by that? Is that in relation to the nature and extent of the application of the decision, or is it lack of clarity that you are talking about?

Mr Campbell: It is the issue of the clarity of the intent of the legislative provision. You are now telling the chamber, on behalf of the department, that it is in relation both to the nature and extent of the application of the decision and to clarity. In fact, the secretary says it is clarity only; it is not about the nature and extent of the application of the decision. I will read from the Senate Hansard on 31 May of this year. This is a my question to Mr Campbell:

When you say work continues on clarifying the operation of the law, what do you actually mean by that? Is that in relation to the nature and extent of the application of the decision, or is it lack of clarity that you are talking about?

Mr Campbell: It is the issue of the clarity of the intent of the legislative provision.

You are now telling the chamber, on behalf of the department, that it is in relation both to the nature and extent of the application of the decision and to clarity, but in Senate estimates the secretary himself said that it was not a nature and extent issue; it was a clarity only issue.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:43): It is the government's position that the Smith decision gave rise to the need for there to be further clarity in the legislation and that this bill takes on that task.

Senator RONALDSON (Victoria) (19:43): I have just been reminded that the department—and I stand to be corrected on
what the complaints of the ESOs are. It is not knowledge that I possess.

Senator RONALDSON (Victoria) (19:46): You join a very long queue of people who are not involved in negotiations with the ESOs—the minister, the department, staff and everyone else—because they were not consulted. As we discussed some hours ago, they were not advised of this addendum to the explanatory memorandum. In fact, one of them got it at five o'clock tonight.

I want to take up your point on the clarity issue—having been told that it was actually the nature, the extent and the clarity; but you acknowledge that Mr Campbell said it was only a clarity issue. Parliamentary Secretary, are you aware of this comment from Rear Admiral Doolan: ‘What we are saying is that we seek clarity, and we see schedule 2 as bringing a degree of lack of clarity. As I said in my opening remarks, we see the current status as allowing for offsetting and being reasonable and we have no difficulty with the current arrangements’?

I think the matters that Senator Xenophon raised today indicate that either this is a sledgehammer to crack a nut or this is not required at all, or this is a deliberate attempt to transfer responsibility for policy and decision making in relation to this matter away from the parliament to the department. In relation to that, Parliamentary Secretary, I need go no further than the addendum to the explanatory memorandum, which makes it clear that the Repatriation Commission will be issuing appropriate policy guidance to staff of the Department of Veterans' Affairs. Indeed, that is the issue the ESOs have—that you have transferred the policy decision-making process from this place to the department. Senator Xenophon, this is probably coming to a close and there will be a division shortly.

The Vietnam Veterans Federation have said that even if guidelines are drawn up by the Repatriation Commission they should be spelt out in the legislation and that the Repatriation Commission guidelines are simply too ephemeral. Do you agree with those comments or not?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:49): Firstly, Senator Ronaldson, you will recall that some hours ago I read to the Senate a communication from the RSL, which essentially said—and we now rely on my recollection—that they opposed schedule 2, but if it passed the Senate they were not opposed to the EM. With respect to the concerns of the RSL, and indeed the Vietnam Veterans Federation and others, we continue to maintain that their fears are unfounded and that in fact these improvements to the legislation will work to the benefit of all stakeholders, including ESOs.

Senator XENOPHON (South Australia) (19:50): Can I assure Senator Ronaldson that I was not about to leave the chamber; I was just going to my temporary office at the back of the chamber to speak to my adviser, Mr Wenn.

Senator Ronaldson: A highly talented gentleman.

Senator XENOPHON: Yes, he is, as are all the people I work with. I am just lucky, I guess. Concerns have been expressed and it is fair to say that the ESOs have concerns about this—and I want to put this in language that is as neutral as possible—and that they are resigned to this going through, as I understand it. I want to put on the record Senator Wright's role in this. It is fair to say that her role has been quite useful in
providing some clarity to the situation. Senator Wright undertook a conciliatory role in this to try and get a better outcome—and this is not a criticism of Senator Wright; on the contrary, it is an expression of gratitude for the work that she has done on this. If Senator Wright's role had been allowed to continue to bring in the RSL, Legacy and the Vietnam Veterans Federation, I wonder whether we could have avoided several hours of agonising debate about this particular issue. In fact, if that process had continued it might have brought some real benefit. Schedule 2 has some work to do. I think that is clear from the language of the department in its submission to the Senate inquiry, and I have referred to that repeatedly. My question to the parliamentary secretary, which I hope—and I think the parliamentary secretary hopes—will be my last question to him, unless he wants more, is this: will there be any monitoring of the practical effects of schedule 2 in terms of claims that are being dealt with differently, claims that are being rejected, fewer payments made, and what I think are shorthand ways of the government's concerns about so-called double dipping, although, depending on the circumstances, there may be a dispute as to whether in fact there is double dipping? What reassurance can the parliamentary secretary give that the implementation of schedule 2 is being monitored and reported, apart from, say, the estimates process, where of course we have the opportunity three times a year to scrutinise this? Is there any other mechanism or assurance that the government can provide, other than questions on notice, the estimates process and questions without notice, about how it works?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:54): Yes, as well as all of those accountability processes that you have cited in your question. Let me see if some other initiatives can give you comfort. Firstly, as you will be aware, and as has been reiterated in this debate today, this is part of the motivation for upgrading and enhancing the IT systems and information systems that are available in the department. Above and beyond that, there is a continued consultation with ESOs to allow for their input and, notwithstanding claims to the contrary, the department obviously focuses very heavily on its consultation processes and structures with ESOs. Lastly, there are ongoing regular monitoring and consultative forum arrangements so that the department and its leadership are completely permeable to concerns that might exist in the veterans community or elsewhere about the operation of this legislation and departmental systems that support it.

Senator XENOPHON (South Australia) (19:55): I am grateful to the parliamentary secretary for his answer and I am sorry that that was not the last question. I was tempted by his response—not by the inadequacy of it; it begs another question. If the ex-service organisations—the RSL, Legacy, the Vietnam Veterans Federation and other organisations who represent those who have served our nation—express concerns to the government about the practical implementation of schedule 2, will the government agree to some form of formal or semiformal process of convening a meeting of those organisations to thrash out any particular concerns they have in relation to this?

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (19:56): I guess the short answer is yes. But your question in some ways is 'How long is a piece of string?' The point and, I guess, the reality is that the department and I understand—and I am about to make commitments on behalf of my colleagues...
and I am sure they will take an interest in what I am signing them up for—that in this particular policy space the relationship, in my view, between the department, the minister and the ESOs is an organic and continuing one. The simple fact of it is that if schedule 2 does create anything like the concerns you are describing then, yes, the minister and the department would respond. I do not know whether that would require a new consultative structure. I wonder if those that exist might be up to the task of managing such a conversation, but certainly the government would continue to have a responsive approach to its stakeholders.

**Senator RONALDSON** (Victoria)  
(19:57): Parliamentary Secretary, on that basis why would you not wait until policy guidance work had been done by Repat and then the department and why wouldn't you wait until you had had the consultation with the ex-service organisations during the development of the material and then have the schedule? Is that not the logical step? You are going to put the cart before the horse by having the schedule and then trying to address it later on. You have acknowledged that there is no urgency for this and that the process is going to be addressed by the $2.7 million. I ask this question: would you give the ex-service organisations an undertaking not to proceed with the policy guidance that forms part of those materials?

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence)  
(19:59): I note the legislation and the policy guidance are closely interrelated but your question is in the main a hypothetical one. I cannot answer hypothetical questions.

**Question put:**  
That schedule 2 stand as printed.

The Committee divided. [20:05]

(The Chairman—Senator Parry)

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

**AYES**

Arbib, MV  
Bilyk, CL  
Bishop, TM  
Brown, RJ  
Crossin, P  
Farrell, D  
Feeney, D  
Gallacher, AM  
Hogg, JJ  
Lundy, KA  
McEwen, A (teller)  
Milne, C  
Polley, H  
Rhiannon, L  
Siewert, R  
Stephens, U  
Thistlethwaite, M  
Waters, LJ

**NOES**

Back, CJ  
Bernardi, C  
Birmingham, SJ  
Boswell, RLD  
Boyce, SK  
Bushby, DC  
Cash, MC  
Colbeck, R  
Cormann, M  
Edwards, S  
Eggleston, A  
Fawcett, DJ  
Fierravanti-Wells, C  
Fifield, MP  
Humphries, G  
Johnston, D  
Kroger, H (teller)  
Macdonald, ID  
Madigan, JJ  
Mason, B  
Sterle, G  
Urquhart, AE  
Wright, PL
The statement of reasons accompanying the request read as follows—

Statement pursuant to the order of the Senate of 26 June 2000

These amendments are framed as requests because they increase expenditure under a standing appropriation. The effect of amendment (2) would be to expand the class of persons – to include a person who is a nuclear test participant (within the meaning of the Australian Participants in British Nuclear Tests (Treatment) Act 2006) – who would be eligible for the Repatriation Health Card—For All Conditions (Gold Card) under the Veterans’ Entitlements Act 1986. Amendment (1) is consequential upon amendment (2) and should therefore also be treated as a request.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

The Senate has long followed the practice that it should treat as requests amendments which would result in increased expenditure under a standing appropriation. On the basis that amendment (2) would result in increased expenditure under the standing appropriation in section 199 of the Veterans’ Entitlements Act 1986, and on the basis that amendment (1) is consequential on amendment (2), it is in accordance with the precedents of the Senate that these amendments be moved as requests.

I have previously spoken in relation to this. This addition to the bill would give veterans of British nuclear tests the ability to claim for a gold card for health costs. Earlier today I referred to the need to do so, and I do not propose to unnecessarily restate that. I referred to Canon Peter Patterson, who contacted me after his application for the gold card and disability pension were denied. He was commissioned by the Australian military forces to serve at Maralinga, South Australia, for a period of 87 weeks between 1956 and 1963 as an Anglican chaplain. Mr Patterson's claims have been fraught with difficulty, because the current rules are unfair. A delegate of the Repatriation Commission was not satisfied beyond reasonable doubt that the cirrhotic
arthropathy was related to his service. We know from the medical evidence that those who have been exposed to British nuclear tests have suffered greatly. The rates of death and disability have been significant.

I am particularly grateful to Senator Macdonald's contribution on this. He quite rightly pointed out what is being done for the children of the veterans of British nuclear tests who have been born with disabilities and significant health issues. I commend Senator Macdonald for raising that, because it is an issue that cannot be ignored. I do not believe it has been dealt with adequately by Australian governments, both past and present.

This amendment is one that deals with the gold card being given to the veterans of British nuclear tests. These men and women went to Maralinga, to Emu Fields and to Montebello and were subjected to nuclear testing without anyone telling them what the health implications would be. They have suffered, much like any veteran who has been injured in war and they should be able to access all the health services they need to treat their cancers, their skin conditions and their depression. I believe this is the right thing to do.

The second reading amendment Senator Wright and I moved was lost. I do acknowledge the work that Senator Ludlam has done on this previously and the concerns that have been expressed in relation to this. But we have really dropped the ball when it comes to our veterans of British nuclear tests. There are fewer than 2,000 alive right now. They are dying off at too rapid a rate. We know that successive Australian governments have done very little to help them. We know from a media release from the law firm Stacks/Goudkamp on 29 July 2011 that Australian veterans of British nuclear tests hopes for compensation have been boosted by a UK court decision. The hopes of hundreds of Australian military veterans of British nuclear tests seeking compensation from the UK Ministry of Defence got a boost after a significant victory in the Sydney courts, because the UK Supreme Court ruled that it would allow the veterans to argue their case that they were not out of time in bringing their action. Even if veterans are successful Stacks/Goudkamp made the point that if the Supreme Court allows them to go ahead they will still have to argue their negligence case against a determined UK Ministry of Defence. Why do they have to do that? Why do they have to go down the path of seeking redress in the British court system? Why can't we do what other nations have done and provide a statutory system of compensation? The Americans, Russians and Chinese have done it for their nuclear test veterans, but here in Australia it seems we have to go cap in hand to the UK courts for an uncertain outcome and expensive, time-consuming and uncertain system of seeking justice.

Senator Macdonald has quite usefully asked me whether a costing has been done on this. We know this, and I think it is a very reasonable question. The coalition, as did the government, unfortunately opposed even a second reading amendment that would say 'let's do some costings on this.' I urge the coalition and the government to reconsider that. It is important that there be appropriate costing of that. But I still move this amendment, because I believe the principle is fundamentally right, because here we have a limited pool of people—fewer than 2,000—and what we are seeking to give them is not a pension as such but access to the gold card for health benefits, so that they do not have to go through a burden of proof in showing that they are eligible.

This is what some of the veterans have said:
This is an absolute disgrace. All the other illnesses that's brought on by exposure to radiation, we don't get treated for and that in itself is justice denied. So the real thing is the recognition, full recognition, under the Veteran Entitlements Act, but they won't recognise Maralinga as being a dangerous zone that we served in.

Another veteran said:
The only thing I can assume is that stalling for time is waiting for us all to die and they won't have to give anybody anything. Well, it is not just us, it's our children and our grandchildren that has suffered from this, that we've passed on our damaged genes, the DNA that was damaged due to radiation exposure.

Another veteran said:
Your skull seemed to light up. The whole world was going up in a fireball. It made you feel like an ant under a boot.

Another veteran said:
I had no idea when I went out to this site, nor did the chaps that I was working with know that there had been a bomb exploded there. And we set up these experiments and starting building these heavy steel firing platforms just 200 metres from ground zero.

Another victim said:
Successive governments have ordered another inquiry or another committee to be set up. Sometimes they take three to five years. That's another three to five years. In that time another 10 percent of the veterans are dead. Well, given another five years, there won't be any of us left, quite frankly.

That is why we need to at least acknowledge this, to give these veterans access to Gold Card entitlements.

This is not a radical move. This is not an expensive move. We are looking at a very small and diminishing class of people, yet we have treated them with contempt. Subsequent Australian governments have treated these people with contempt. They have served their nation. They served it in a very dangerous zone where nuclear tests were carried out, and that is why this requested amendment seeks to redress that, in part by giving them access to the gold card. It is extraordinary that the government and the opposition do not support the costing of this. They were worried about setting some precedent or about what other implications it would have. But these people deserve justice. Giving them access to the Gold Card will go some way to remedying the gross injustice that Mr Patterson and many, many others have been subjected to over the years. That is why I commend this amendment.

I acknowledge the amendment of Senator Wright, which I do not have difficulty with. I think it is a sensible amendment to say there ought to be some costing but that in any event there ought to be a cut-off for when this particular measure is implemented. It cannot be put off to the never-never. This government and the opposition stand condemned for the way they have treated our veterans of British nuclear test. This issue will not go away. Even when the last nuclear test veteran in Australia has died, you will still have to deal with their children, you will still have to deal with their memories and you will still have to deal with the fact that they have been treated very shabbily by successive Australian governments.

**Senator WRIGHT** (South Australia) (20:16): I move the Greens amendment to Senator Xenophon's proposed request for amendment on sheet 7144 revised:

Item 1, after subsection 85(10A), insert:

(10B) Subsection (10A) is of no effect unless a regulation has been made:

(a) specifying the cost of the measure proposed by that subsection; and

(b) authorising the commencement of the measure.

(10C) If a regulation of the kind mentioned in subsection (10B) has not been
made within 6 months after the commencement of that subsection, subsection (10A) does not operate at all.

I do this because, while the Australian Greens have clearly and consistently over time supported the principle of extending the Gold Card to veterans of British nuclear testing, as a matter of right, it would not be responsible to agree to a measure that at this stage would have open-ended cost implications that have not been budgeted for. Since receiving Senator Xenophon's requested amendment, I have not had the opportunity to determine the costs involved if it were to be implemented. Today I received verbal advice from the minister's representative that the costs could be as great as $100 million. That does seem exorbitant to me, given the relatively small number of veterans involved, but it serves to highlight the need for better information about the costs before legislating for this change.

That is why I was happy to co-sponsor the second reading amendment that Senator Xenophon has referred to, to have the government examine the cost of expanding eligibility for the Gold Card to nuclear veterans within a certain time period. Unfortunately, that amendment was not agreed to. However, this amendment that I have now moved is an opportunity to determine the costs involved, to have scrutiny and then to determine whether or not it would be possible to implement this longstanding issue of justice for the veterans of the nuclear testing carried out by Britain.

This amendment would mean that Senator Xenophon's amendment could take effect if the measure has been costed and is enshrined in regulation that has not been disallowed by either house. That would ensure that the costings have been carried out, that there is an opportunity for scrutiny by the other place and the Senate and that there is a means of paying for the implementation of the reform. In my view, that is what is required to be fiscally responsible and I urge the Senate to support this amendment and then consider Senator Xenophon's requested amendment in the light of this amendment.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (20:19): As Senator Xenophon has noted, we did debate this matter a little earlier, but I will repeat some of the points that I made at around 12 noon. Firstly, the government rejects the notion that we have been blind to the sufferings of the people concerned.

Senator Xenophon: I never said that. Don't misquote me. I didn't say 'blind'.

Senator FEENEY: You certainly used some strong language there.

Senator Xenophon: Indifferent, perhaps.

Senator FEENEY: Okay. At the risk of using more courteous language than you used, I will proceed. I note that the government, in the 2010-11 budget, provided a $24 million package of compensation to British nuclear test participants under the Veterans' Entitlements Act 1986. This package ensured that Australian Defence Force participants were provided appropriate compensation and health coverage for any condition related to their service in the testing program. BNT participants are also eligible to receive non-liability health care for all cancers. BNT participants are able to access a Gold Card. It is provided where the veteran is at or above 100 per cent of the general rate of disability pension. The automatic grant of a Gold Card is only provided to veterans with qualifying service—that is, warlike service—over the age of 70, in recognition of the hazards of being in war and incurring danger from the hostile forces of the enemy. The automatic grant of the Gold Card to BNT participants would place them in a more beneficial
position than other veterans. For that and other reasons, the government opposes the amendment.

Senator XENOPHON (South Australia) (20:21): What an extraordinary response from the government. These veterans are not eligible for a gold card because their service does not qualify as warlike; it was not in a hostile environment. The fact is that they were subject to radiation from nuclear weapons. They were subject without a duty of care being given by the Australian government at the time. They were subject to levels of radiation that have led to many of them developing cancers and dying, levels of radiation that have left many of them with very serious health problems and levels of radiation that have left their children and grandchildren with genetic abnormalities, with deformities, with serious health problems. So to make some artificial distinction that these individuals were not subject to warlike service does not make sense to me. If being subject to radiation, to fallout from a nuclear bomb going off, is not warlike in the hazards it exposes our veterans to then what else would be? It just seems extraordinary that this is an exemption. I would urge the backbenchers of the coalition and the government to raise this issue in their party rooms to ensure that this matter is dealt with in a way that gives justice to these veterans.

I acknowledge the long-term advocacy of the Australian Greens, Senator Wright's contribution to this debate and Senator Ludlam's long-time advocacy of this along with Senator Bob Brown. But it seems to me that the issue here is that the government is making excuses as to why it cannot act, and Senator Wright quite rightly expressed surprise at a figure of $100 million. As that is the figure that was given by the minister's office, can the government provide a breakdown of that $100 million? On that calculation, if there are 2,000 individuals who are still alive from the British nuclear tests and all of them put in a claim for medical expenses—I am sure Senator Feeney will correct me if my arithmetic is wrong—you are looking at a figure in the region of $50,000 each. Is that right, Senator Feeney? I am not sure. Tell me. Your arithmetic is probably better than mine.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (20:24): That is not a boast I would make, Senator Xenophon! I have not used the figure of $100 million. To be frank, I heard it for the first time in the remarks earlier. That is a question that the minister's office will take on notice and we will provide you with whatever information is available. It is not something I am in a position to comment on at the moment.

Senator WRIGHT (South Australia) (20:25): Can I just clarify, please. What I did say—and I said it in a considered way—was that it could be as much as $100 million. If that is the representation they are giving to the Australian Greens, represented by Senator Wright on this issue, to say why this cannot proceed now, surely there is an obligation on the government, given that they have put it out there, to give us a breakdown of where the $100 million comes from? I think it is a perfectly reasonable question in order to deal with this particular amendment.

Senator XENOPHON (South Australia) (20:24): That is just not good enough because they have made a representation to Senator Wright. Senator Wright took that representation in good faith but she has questioned it. She received advice from the minister's office that the cost of this amendment would be $100 million. If that is the representation they are giving to the Australian Greens, represented by Senator Wright on this issue, to say why this cannot proceed now, surely there is an obligation on the government, given that they have put it out there, to give us a breakdown of where the $100 million comes from? I think it is a perfectly reasonable question in order to deal with this particular amendment.
Senator Mark Bishop: You verballed her.

Senator Sterle: You've been snookered, Nick!

Senator WRIGHT: In fact, it was said that the figure could be as much as $110 million, so I was being accurate. It was a large amount of money that was indicated, but it was indicated to be a preliminary figure.

Senator XENOPHON (South Australia) (20:25): Can I just respond? I know it is disorderly, Temporary Chairman, and I know how down you are on interjections—

The TEMPORARY CHAIRMAN (Senator Cameron): I am, Senator Xenophon.

Senator XENOPHON: but I have been provoked by Senators Bishop and Sterle, two fine senators from Western Australia, very capably representing their constituents in Western Australia, who are well aware of the impact of the British nuclear tests on their home state with the Montebello Islands. The fact is that it does not change my position at all. There is no snookering. There are no whatever other analogies Senator Sterle can assist me with. There is no snookering here. Up to $110 million—not $100 million—

Senator Mark Bishop interjecting—

Senator XENOPHON: If you were listening to Senator Wright, Senator Bishop, that is what she said. She said 'up to $110 million'. If they are going to make an assertion that it is up to $110 million, for goodness sake the government ought to provide the details of that. Where does this figure of up to $110 million come from in order to try to squash this particular amendment or to be dismissive of it? I can tell you those veterans of the British nuclear tests deserve better than some glib figure seemingly plucked out of the air in order to get a fair deal and a fair go with respect to their health care.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (20:27): Let me repeat: I have not used this number in the debate and you have heard Senator Wright describe the terms in which the number was given to her. I have just been advised that the number is based on the notion that $15,600 per person per year over four years for a total of 2,000 persons would add up to a cost of $100 million.

Setting that to one side and considering for a moment existing entitlements, the government seeks that the Senate note that all participants are eligible for free cancer treatment now. They can get the gold card if their illness results in the disability pension of 100 per cent or more. Widows of course receive a pension and a gold card where the participant's death is related to service. Noting those existing entitlements, I hope that provides a little bit of illumination about where that $100 million number might have come from.

Senator XENOPHON (South Australia) (20:28): That is not illumination. That is just casting a shroud over things, honestly. As for the notion of $15,600 a year for four years for 2,000 participants, there is no such notion here. Guess what? These people are dying off. In four years time there will not be 2,000 veterans who survived the British nuclear tests here in Australia. Who knows what the number will be, but we know that the rate of death, the rate of these people not being with us on this earth anymore, is increasing. This is simply to say that, in the same way that others who have served in warlike service get a gold card, this is warlike service and this is something they should be entitled to. This issue will not go away. I will pursue it in estimates. I will pursue it with the government. I urge my colleagues in the
coalition and the government, particularly my backbench colleagues—including Senators Sterle and Bishop, for whom I have high regard—to take this matter up.

Senator Sterle: And the Greens!

Senator XENOPHON: The Greens are already onside, Senator Sterle. And I am looking forward to Senator Boswell's not being part of this dismissive approach to our veterans of the British nuclear tests. I have moved the amendment standing in my name. I look forward to this.

I have just been handed some material that relates to the atomic bombs dropped on Japan. It is interesting to note that radiation is classified into two types: initial radiation, which is released by the atomic bomb within one minute of detonation, and residual radiation, which is released after the initial radiation. Those who were exposed to radiation suffered long after the war was over. It took people a long time to recognise the invisible effects of the A-bomb, of the diseases caused by the A-bomb. A group of symptoms which appeared during the first four or five months after the explosion were called acute sickness or injuries, and symptoms that appeared after a certain incubation period were called after-effects of radiation. That is what we are dealing with. That is why this matter needs to be dealt with with some urgency. I urge my backbench colleagues, of both the government and the opposition, to reconsider their position in relation to the gold card. This will not be the end of it if this amendment is defeated, as it appears that it will be. We need to deal with this. These vague rubbery figures of up to $110 million—the government really stands condemned for the way it has sidelined these concerns.

Senator LUDLAM (Western Australia) (20:31): I will add a couple of very quick remarks before we put Senator Wright's and then Senator Xenophon's amendments. I am unsure whether the Parliamentary Secretary for Defence is aware that I do not necessarily support those figures for precisely the reason that Senator Xenophon has put on the record. Do you feel comfortable, Parliamentary Secretary, acknowledging $100 million in unmet need for a particular class of veterans who we appear to be simply sidelining on a technicality? As you said in your statement, from the information you have been given by your advisers, cancer treatment is covered, but you would be well aware that ionising radiation of the kind that was inflicted on these soldiers and the many Aboriginal people who were still on those lands can create a large number of conditions that are not cancer related at all. That is precisely where this huge level of unmet need resides. I strongly support Senator Xenophon for moving this amendment. If you do not trust the figures that you have given us, Senator Wright has given you a perfect opportunity to look at how much it will cost. I cannot believe that we would simply sideline on a technicality this cohort of people who, in the service of our country, were irradiated by British nuclear weapons. I strongly urge a rethink on, if nothing else, Senator Wright's perfectly sensible amendment that says: let us establish how much it will cost. Please, let us not just erase these people from history after what we put them through.

Senator XENOPHON (South Australia) (20:33): Further to Senator Ludlam's very useful and pertinent contribution, there is another way of putting this that I think further diminishes the government's argument—and the coalition's argument for that matter. It is the same as a soldier who loses a limb. They are given a gold card because you can see their injury. It is no different for veterans who were injured by the nuclear tests; you just cannot see their injury, it is not so apparent. The effects are
dormant, but they are there nonetheless. Given that these people have been exposed to the fallout from a nuclear test, from the British nuclear tests, and that they have this enormous risk of injury because of their exposure, this seems the only just way of doing it. Having said that, I am prepared for the vote. I am prepared for the outcome tonight, but I am not prepared to let this matter rest. Question put:

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

The committee divided. [20:38]

(The Chairman—Senator Parry)

Ayes ....................... 11
Noes ....................... 34
Majority .................. 23

AYES

Brown, RJ
Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Waters, LJ
Xenophon, N

NOES

Back, CJ
Birmingham, SJ
Brown, CL (teller)
Cameron, DN
Collins, JMA
Edwards, S
Fawcett, DJ
Furner, ML
Hogg, JJ
Lundy, KA
McKenzie, B
McLucas, CM
Parry, S
Pratt, LC
Singh, LM
Sterle, G
Urquhart, AE

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

The committee divided. [20:42]

(The Chairman—Senator Parry)

Ayes ....................... 11
Noes ....................... 34
Majority .................. 23

AYES

Brown, RJ
Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Waters, LJ
Xenophon, N

NOES

Back, CJ
Bilyk, CL
Birmingham, SJ
Brown, CL
Cameron, DN
Collins, JMA
Edwards, S
Fawcett, DJ
Furner, ML
Hogg, JJ
Lundy, KA
McKenzie, B
McLucas, CM
Parry, S
Pratt, LC
Singh, LM
Sterle, G
Urquhart, AE

Question negatived.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Senator FEENEY: I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011

Second Reading

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

Senator MASON (Queensland) (20:47):
As we all know, the business of the 21st century is knowledge. To better compete and to more effectively contribute to Australia's well-being, universities, which are our knowledge factories, have embarked upon change and reform. Over the last few years there has been robust debate about the future of our higher education system—a debate spurred on by the Bradley Review of Australian Higher Education. This debate is likely to last for many years, given the crucial importance of our universities to our economy and indeed to our society in general.

The Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill is the legislative expression of one of the two main recommendations of the Bradley review, as adopted by the government—namely, the move towards a student demand driven system right across our public universities. The other major recommendation of the Bradley review sets a target for increased participation in higher education of 40 per cent of our young people in the age bracket 25 to 34 by the year 2025, with a particular emphasis on attracting more students from currently underrepresented groups such as students from low SES backgrounds, students from rural and remote areas and of course Australian Indigenous students. These two reforms are interlinked, since abolishing the restrictions on the number of university places will go some way towards increasing participation in higher education.

The coalition supports these reforms, though with some important caveats in regard to both the current bill and the overall implementation of the Bradley reforms by the government—subjects I will touch on later. Let me state at the outset that the move to a system where demand by qualified students determines how many places are offered by universities is a vast improvement on the centralised state control model that has been operating so far, where the public servants in Canberra micromanage the number of places that each university can offer in each particular course. The removal of the restriction on the number of undergraduate places, otherwise known as Commonwealth supported places, that Australian universities are able to offer is a step in the right direction. The laws of supply and demand work better than the dictates of bureaucrats, no matter how well qualified.

However, the bill does not provide for a complete removal of restrictions. The bill does not uncap the number of enrolments for medical student places as those degrees are reliant on the availability of clinical placements provided by state governments, nor does it uncap the number of Commonwealth supported places for postgraduate students in our universities. The bill also gives the minister for higher education the ability to cap the number of places in particular disciplines or particular institutions in defined circumstances. The coalition will await the resolution of these issues and is particularly interested in the last mentioned power, especially in light of the persistent rumours circulating in the university sector that the government might be tempted to start capping places again, having slowly become aware of the fiscal implications of the move to a fully student demand driven system.

The bill goes further than setting up the framework for the partial deregulation of the
The coalition is opposed to abolishing the student learning entitlement. The SLEs were introduced by the Howard government in 2003 and limit a student's ability to qualify for a Commonwealth supported place to a defined number of years of full-time undergraduate study. The defined number of years is typically seven, with some exceptions, and it accrues over the lifetime of the student. The measure was introduced to prevent so-called lifelong or professional students from undertaking continuous studies at taxpayer expense with no intention of ever paying off their FEE-HELP or HECS debt. Far from losing their relevancy over time, the SLEs actually become even more important under the student demand driven system for this reason—abolishing the student learning entitlement, combined with abolishing the restrictions on the number of Commonwealth supported places, results in a system where an unlimited number of students can study for an unlimited amount of time. The government's proposal, under this bill, means that an unlimited number of students can study for an unlimited amount of time. The opposition opposes that.

What are the fiscal implications of that for taxpayers? No-one knows, including the government, which has not produced any plans, estimates or projections of the cost of implementing the Bradley reforms. In the absence of any concrete information, and considering this government's record of profligacy with other people's money, the coalition believes that it is only sensible to maintain some restrictions, such as the SLEs, on the expansion of higher education costs.

The government argues that the SLE restriction is hindering students who have undertaken a bachelor's degree, followed by a five-year professional degree, from completing their degree by substantially increasing their FEE-HELP debt. The coalition understand that there have indeed been some substantial changes in the way some undergraduate degrees are taught. The coalition are aware of that, so we believe the upper level of student learning entitlement should be set at eight years rather than at the current limit of seven. This would, for example, allow students to undertake a Bachelor of Science degree with an additional honours year and then complete a medical degree. The coalition will be moving an amendment to that effect.

Moving on to compacts, the interim agreements between individual universities and the Commonwealth are already in place and have been for the past few months. These agreements require universities to lay out holistic, integrated plans for linking their research direction with their teaching and learning expertise and to link these goals to a university's Commonwealth Grant Scheme funding agreement. While not ignoring the potential benefits of compacts, the coalition still retain some concerns about these new arrangements. We are worried that compacts could be used to micromanage universities rather than to simply align the universities' objectives with those of the Commonwealth. At a time when the university system is undergoing significant reform and expansion, the coalition would not want to see the freedom to diversify and excel restricted by the Canberra education bureaucrats.

Our universities are now competing not just against each other within Australia but against all other universities in the world. At stake are the significant income and other benefits derived from international students,
the capacity to attract the best staff and the ability to build and enhance reputation. All this calls for less, not more, regulation and for more, not less, flexibility. To that effect, I will be moving a second reading amendment that reminds the government of the growth of red tape under their administration and of their broken promise to only introduce new regulation after repealing an earlier one. Universities already suffer under the compliance burden of myriad different regulations and requirements imposed on them, mostly by federal laws and regulations. Legions of employees are now needed to ensure policies are adhered to or that information is collected for the federal government. Imposing more regulation, as may be the case under the compacts, goes completely against the spirit of higher education reform, where the trend is towards more freedom, more flexibility, more choice and more options. The amendment I will move as a second reading amendment broadly seeks to minimise the regulatory burden on universities.

I move:

At the end of the motion, add "but the Senate:

(a) notes:

(i) the government response to the Bradley reforms may impose increasing regulation on the higher education sector,

(ii) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations, higher education providers and industry by the Gillard Government, and

(iii) that the increasing regulatory burden represents a broken election promise by the Labor Government which said that it would only introduce a new regulation after repealing an earlier regulation – a 'one in, one out' rule; and

(b) calls on the Gillard Government to adopt immediately the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year".
the debate about the bill that seeks to implement one of the two major pillars of the Bradley reforms.

Let's face it, implementation—as you have heard me say many times in this chamber—has always been the Achilles heel of the Rudd and Gillard governments. Not many other portfolios have the dubious distinction of being able to illustrate this point better than my own area of education. Here one can name one program after another—Building the Education Revolution, computers in schools, fibre connection to schools, trade training centres, Indigenous children and family centres, Indigenous residential colleges—which read like an encyclopaedia of government failure. What all these programs, as well as numerous other examples such as the NBN, pink batts, or digital set top boxes for pensioners, have in common is this: there does not seem to have been much planning done after the initial brainwave from the minister or the Prime Minister's office. There are no cost-benefit analyses done, no proper studies, estimates and projections prepared, and no mechanisms put in place to properly supervise the implementation and oversee the expenditure of taxpayers' moneys. I raise these concerns once again because I am increasingly worried that this government's cavalier 'by the seat of their pants' approach to implementing its programs, the coalition has reason, Australia has reason—to be concerned.

Let me say this: the coalition will not tolerate a blind and uninformed rush towards increased participation if it would in any way damage our higher education system and affect its performance and international reputation. We cannot allow a situation to develop where quantity is achieved at the expense of quality. We will not stand by and allow university degrees to be devalued, because the government wants to encourage more young people to participate in tertiary education without providing adequate financing for universities to cope with the expansion—all resulting in falling standards.

We will be watching very carefully how these reforms unfold. The coalition's broad support for these goals does not mean a blank cheque as to the means. We will try to do our best to hold the government to account and ensure that these crucial reforms are carried out in a responsible manner.

Senator RHIANNON (New South Wales) (21:04): I speak to the Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011 today as the Australian Greens spokesperson on higher education. It is
recognised that the quality and reach of a country's higher education shapes its future. It builds a nation's social well-being and provides the next generation with the skills and knowledge which are vital to our economic development and our place within the competitive global economy. Yet in Australia, higher education has been approached not as an investment in future capacity but as a cost largely borne by the student and the sector itself.

The gap between increasing student numbers and diminishing public funding continues to grow. In 2009 there were over 1.1 million students enrolled in Australian universities, nearly 80 per cent more than just 13 years ago. Yet during this time public investment in higher education has gone backwards. The real value of operating grants has not increased since 1994 with the value per student place actually plunging in real terms by 30 per cent over that period. Public investment in our universities sat at a shameful 0.7 per cent of our GDP in 2007, well below the one per cent OECD average and just five places up from the bottom of the list of 35 rated OECD countries and partner countries. As a result, universities have turned to cutting spending and raising income. Diverting money to profit, making projects and chasing the corporate dollar has resulted in a growing dependence on overseas full fee paying students who prop up the sector and provide nearly 60 per cent of Australia's $16.5 billion of export income from education—the nation's third largest source of export income after coal and iron ore in 2008-09.

Meanwhile, student to staff ratios have blown out. Casualisation of the workforce has compromised quality for students and teachers. Academics must do more with less and university infrastructure has not kept up. Students on inadequate income support have struggled to juggle the demands of study and employment needed to survive. This is the state of our higher education, all while Australia has surfed the crest of a decades long mining boom. It is with many reservations that the Greens approach this bill—a market based, demand driven approach to improving access to quality higher education in Australia. This bill aims to implement the government's target of nearly doubling to 40 per cent the number of university educated people by 2025, with 20 per cent of undergraduates coming from disadvantaged backgrounds. It is an excellent goal but there are concerns that this approach could push our universities and the quality of our higher education over the edge.

There are two overarching concerns that the Greens have with this bill: that demand driven funding will become the first step towards a voucher system in Australia, and how the need for significant further investment in universities to support the sudden increase in student numbers will be met. The Greens' concerns are demonstrated in New Zealand's disastrous attempt to introduce pure demand driven tertiary education in the late 1980s. That demand driven model extended to the whole tertiary sector, including the polytechnics and over 220 private providers. The New Zealand government had no ability to steer or shape the courses being offered and quality control was absent. Not surprisingly, the whole thing blew out of control. A huge growth in student numbers brought unsustainable costs and rising student failure and attrition. The bulk of growth was at subdegree and diploma levels delivered by private institutions, and any public return on the qualifications gained were questionable.

An example of how badly wrong it went, as current New Zealand Deputy Prime Minister Bill English said when he was shadow minister for education, is demonstrated by the beginner computer
course run by a large polytechnic in partnership with a software producer. Students were enrolled in shopping centres, libraries and through school fundraising committees who were paid a fee per enrolment gained. Students thus enrolled were actually handed a CD of four courses which equated to four enrolments with public demand driven funding attached. More than 20,000 people enrolled in this CD based course, costing a cool $15 million in public funding. The provider generated about a 90 per cent gross margin per enrolled student, with a grand total of three per cent of those students known to have finished the course. Not surprisingly, New Zealand learnt a lesson from that experiment and has been reining in its system for many years now.

Whilst I do believe that the government in drafting this bill has learnt from the New Zealand lesson, it does demonstrate the risks involved in travelling down this path and it provides a cautionary tale about quality, accountability and a firm governmental hand on the steering wheel to ensure qualifications are about real learning. And whilst I acknowledge that this bill is only a partial deregulation and does not in the strictest sense create a voucher system, I share the strong concerns raised by student groups and unions that the bill is moving the sector in that direction and that the dramatic increase in student numbers that this bill allows for will place further strain on resources such as classrooms, facilities, services and student amenities. I will address these concerns but first start with the aspects of this bill that the Greens support without contention.

The abolition of the student learning entitlement from next year makes sense. Few students exceed the SLE's seven-year limit to funded undergraduate study. Universities will save the extra cost of administering the scheme and the limit to updating qualifications will be removed. The strengthening of academic's and students' intellectual freedom by making that right an object of the act is vital. The requiring of providers to have policies that uphold the right to intellectual freedom as a condition of funding provides a necessary accountability mechanism.

I will now turn to the centrepiece of this bill: demand driven funding of higher education. From next year, the uncapping of public funded places for domestic undergraduates will ensure anyone with the ability is guaranteed a funded university place. Funding will be detached from each university course and will follow the student, allowing them to enrol in the course and university of their choice. Increased access for all is a positive thing and students are responding, with the 2009 estimate revised upwards to an extra 59,000 places by 2013 and an extra $1.2 billion in funding to cover it. However, the huge risk is that rapid, unfettered growth will lack the investment required to support the extra teachers and learning resources in a system already struggling with historic underfunding per student. This bill does not adequately address the chronic funding gap between the cost of delivering a course and the funding received to deliver it. Nor does it protect against the risk of further casualisation in higher education or the risk of fees becoming fully deregulated in the future. There is a real concern that any deregulation of higher education could eventually lead to a two-tier system in both funding and quality of teaching.

It is worth noting some of the problems with a full voucher system. As student demand changes from year to year, it is hard for universities to plan for a permanent workforce and for building resources. Research has shown that the middle to higher end of SES groups benefit from a voucher system rather than it helping the most
disadvantaged students. Despite the rhetoric, a voucher system does not mean that students can study where they like, as institutions will still set course numbers. It can lead to poaching of students by larger universities and widen the divide between prestigious institutions and smaller or regionally based ones. It removes the government from its responsibility to create an accountable higher education system. A voucher system can separate teaching funding and research funding, which can reduce overall levels of research funding.

Given these risks and concerns, it would have been better timing to wait for a government response to the yet to be reported base funding review before debating this bill. That really would have been the responsible course of action for this government. The base funding of student places and a need for indexed basic grant amounts is a pivotal factor on which the quality and health of the sector does turn.

The whims of the marketplace and consumer demand are not a steady framework on which to build a sustainable future. The flow of students and thus funding to various universities can actually fall two ways. It could encourage specialisation in our universities as they develop excellence to attract and keep the student and their funding, and may drive innovation and constructive partnerships with industry to address skill shortages and meet the needs of a new low-carbon economy. Or it could compromise quality, providing homogenised courses across the board to cater to mass student trends, diverging from the needs of a healthy economy and society's wellbeing.

This could be exacerbated by a concentration of high-demand, low-cost courses such as law and commerce at the expense of high-cost courses needed in a modern economy, such as engineering and science. It may provide the opportunity for smaller and regional universities to play to their strengths—strengthening provision for their natural catchment of disadvantaged or isolated students, with the extra funding loads that go with those students subsidising other offerings. Already regional universities are planning to invigorate and enrich regional on-campus life as a selling point and are improving the quality of their distance education offerings for their isolated students. Alternatively, it could allow the bigger, better resourced universities to poach those students along with their chunk of extra equity funding, furthering the divide between the elite and the smaller universities—although this carries its own risk of an inability to fund extra infrastructure needs and staffing levels in high-demand courses.

How will universities plan for growth and ensure quality? Where is the government's plan to address skill shortages in this country—skills needed to participate as part of a globalised community? We need a much clearer picture from the government of the steps it plans to take to minimise these serious risks. For example, whilst the current proposal does not impose any set time or value on the student's learning entitlement, or voucher, it is possible that such limitations could be placed on a student's entitlement in the future. It is also possible that fees may be deregulated in the future, leaving a gap between the student's funding entitlement and the cost of the course. It is not clear how these potential risks are being addressed. The whole point of the bill is that it will remove the ability for universities to charge full fees and it will remove the learning entitlement. That a future government can change this is a moot point with any legislation.

Another issue is that the bill will allow the government to set a cap—a limit on maximum basic grant funding—for courses...
to rein in excessive course growth, designating them by disallowable legislative instrument. Any demand driven or non-designated course can be thus designated. For example, medicine is a designated course to avoid oversupply of graduates for too few placements. Previously, a government could cut funding by reducing places. The bill will ensure the imposition of a cap on maximum basic grant amounts must not be less than the amount for the previous year. Whilst such a change would be subject to parliamentary scrutiny, clear criteria is needed around triggers for changing demand driven courses to designated courses to either boost or limit demand. How will the government convince a university they must provide high-cost, low-student-demand courses such as engineering or science even when they are listed as national priority courses? We do need to hear an answer to that question. How will designating low-demand courses such as the classics and the arts ensure that universities will deliver them? These are important areas of scholarship and cultural learning that we cannot afford to lose through attrition of demand. Yet these courses will not be funded unless the places are actually filled by students.

This bill's mission based compacts are key to the government's ability to steer the demand driven model around these risks and to temper the vagaries of the marketplace. These three-year contracts between publicly funded universities and the government include funding details and negotiated performance, equity and quality targets. They are supposed to align each university's activities with their missions and with the government's goals for higher education and to ensure that quality and participation standards are met with performance funding attached to achieving those targets.

Given the imperative to ensure quality of provision in our higher education, it must be ensured that the performance indicators use objective and proven quality indicators and that the methods of collecting data are protected from manipulation by universities. The intention of compacts to negotiate performance targets based on an individual university's missions and goals must be upheld so that universities are held to their own real improvements and not to predetermined targets across the board that may not match their mission or that they already exceed. The success of the compacts is fraught and dependent on the government's and each university's diligence and good faith.

In the meantime, the higher education sector is facing a great unknown. Its major private income stream, international students, is dropping. It is facing a huge increase in student enrolments to a historically underfunded system without yet knowing if base funding will be increased to catch up to and meet actual costs of delivering this brave new world.

This bill is part of a 10-year package to repair and invigorate higher education in Australia. The extra funding and better student support is a good start, despite our reservations and concerns about any move towards a voucher system. We cannot afford to ignore the risks, and the Greens are committed to closely watching the effects of this legislation and whether it achieves its aim of rewarding any student entering into higher education with appropriate support and a quality experience. We call on the government to heed the concerns of student organisations about paving the way for a voucher system in higher education and the call from the sector for sustainable base funding levels. The challenges are many.

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (21:23): I rise to contribute to the debate
tonight on the Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011. For too long Australia has lagged behind the rest of the OECD when it comes to the proportion of our population who have a tertiary qualification. We invest so much in trying to inspire our children on a lifelong journey of learning and yet, for some, there are still limited educational opportunities beyond formal schooling. Despite huge growth in the numbers of women attending university, the fact remains that there are still groups of Australians who are underrepresented in tertiary education, including Indigenous Australians, those from low socioeconomic backgrounds and those from rural and regional areas.

In my home state we have a fantastic university, the University of Tasmania. We also have one of the lowest participation rates in higher education in Australia. Whilst I do not believe that this restructure will be the panacea to that participation problem, I hope that our progressive reforms to the tertiary system will make higher education more accessible. There is overwhelming support and evidence to suggest that the legislation that is before us today is the best way forward for higher education across Australia.

This legislation is about revolutionising the way in which the tertiary sector in Australia is funded. Moving toward a demand driven model rather than forcing each institution to come back year in, year out and negotiate capped places will only work to promote and enhance the accessibility of higher education to Australians regardless of their background. Moving toward a demand driven funding model is also the most appropriate way to ensure that we are equipped for the future challenges in a rapidly changing global economy.

This bill ensures that as a government we meet our commitment to introducing an uncapped student demand system for universities for 2012. Through these funding reforms we will provide our institutions with a flexibility within the sector to meet our national target of having at least 40 per cent of 25- to 34-year-olds with a bachelor level degree or above by 2025. As we work towards achieving our participation target, we will boost our rankings within the OECD and serve to bolster our credibility as a thinking and innovative nation in our region and beyond.

This bill is also significant insofar as it adds the finishing touches to the Labor government's reform agenda for the higher education sector. We have progressively delivered on the commitment that we made in 2009 so that from 2012 our universities will benefit from the deregulation of the allocation of university places through the introduction of a demand driven system for domestic students, except for medicine, and the abolition of student learning entitlement, the SLE, for all courses and the introduction of mission-based compacts and the strengthening of academic freedom.

Fundamentally, this legislation ensures that Australian students can access tertiary education based on their ability, on academic merit and on a willingness to participate rather than just their capacity to pay for it. As well as transforming funding for the tertiary sector, this legislation also abolishes the student learning entitlement. The student learning entitlement is a hangover of the Howard years which limited a student’s access to a Commonwealth loan, HECS-HELP, after seven years of study. The introduction of the student learning entitlement created equity issues and posed a threat to lifelong learning. It was proven to have discriminated against low SES and mature-age students and those who chose to
change their study pathway. Moreover, the SLE created an administrative burden on universities and, whilst the student learning entitlement was allegedly introduced to promote retention, it did not translate in any way to provide funding for support for students at each institution.

It follows that the abolition of the student learning entitlement will remove a regulatory burden that has been placed on universities since 2003 and ensure that there is no time or dollar limit on a student's learning achievement. It will also remove a significant barrier that medical students have faced since 2003 and has been welcomed by the AMA. No longer will medical students, particularly those who have articulated into medicine from science streams, be disadvantaged when they choose to study medicine because of a fear of exhausting their entitlement.

Those opposite have criticised the government's move to abolish the student learning entitlement but I challenge them to find anyone else who is advocating for it to remain.

Senator Mason: Well I am, Carol.

Senator CAROL BROWN: Notwithstanding the good senator opposite. We are seeing in this place those opposite playing up again. It is not unlike Senator Mason to play up a bit, but they are also relying on outdated and factually baseless arguments about how this reform will let students waste time lingering in our universities and draining taxpayers dollars. In Australia we simply do not have a situation where students are studying for excessively long periods of time. It is a myth. Those opposite seem to be stuck in a bit of a time warp and lack a true understanding of what tertiary education means today and to the unique intellectual capital of our nation. Those opposite were never serious about investing in higher education in any meaningful way. They simply dressed up the student learning entitlement, painting it as a policy aimed at improving retention while continuing to rip funding out of the tertiary sector. The student learning entitlement never transpired into funding for essential services and student support—those proven elements of any retention strategy. Across the sector, the Group of Eight and others have come out in full favour of the abolition of student learning entitlement. Put frankly, Senator Mason, it is time to move on.

This legislation also provides for the introduction of mission based compacts between the government via the Department of Education, Employment and Workplace Relations and tertiary institutions. The mission based compact will be the mechanism through which universities can show how they are contributing to the government's goals for higher education. The compacts will include details of the major education and research funding for each institution as well as performance targets. The compacts will allow for universities to be rewarded for improving the quality of their offerings, attainment and the participation of students in higher education. As the mission based compacts will differentiate between teaching and research, they will allow an accurate benchmark from which to measure and reward performance, taking the sector forward.

I will now take a moment to talk about the academic freedom aspects of this bill. Notwithstanding Senator Mason's no-doubt-excellent record on objectivity and impartiality when he was lecturing, this bill will also bolster academic freedom, enshrining the government's commitment to free intellectual inquiry in legislation. Until the introduction of this bill, academic freedom was assured only through the national protocols agreed to at the

This bill extends the government's commitment to academic freedom by ensuring that it relates to learning, teaching and research. Including an explicit reference to learning also bolsters a student's access to intellectual freedom. Of course, those opposite will criticise this element of the legislation too. It comes as no surprise that they would again play up on their old rhetoric. Manifest in their long-held paranoia is their mistaken belief that free intellectual inquiry and the protection of academic freedom are biased towards the Left. I only hope that they can for once put aside this baseless assumption and help the government bolster academic freedom for learning, teaching and research within Australia's tertiary sector.

This legislation represents the final pillar in our higher education platform. It builds on the results of the major programs of reform that the Prime Minister commenced as Minister for Education in 2009. As a direct result of our reform agenda already, we have seen close to 100,000 additional students grasp the opportunity of a university education since 2007. Since then we have seen an extra 80,000 undergraduate students each year get the opportunity of a university education, from 408,000 in 2007 to 488,000 this year. We have also seen the number of Commonwealth supported postgraduate places double from 16½ thousand in 2007 to 33,000 this year. Having already succeeded in opening the doors of Australia's universities to more students than ever before, we are even more determined to continue to boost participation.

The legislation before us is a measure that has been welcomed far and wide across the sector. National Union of Students President Jesse Marshall in May this year branded the legislation a 'welcome investment in providing opportunity to Australians to participate in higher education'. Universities Australia has expressed strong support for this bill, urging all parties to support the legislation and approach it in the spirit of bipartisanship. Universities Australia's Chair, Professor Glyn Davis AC, has said:

Passage of the Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011 will directly transform the accessibility of higher education in Australia.

Student demand-driven funding was a key recommendation of the Bradley Review, and its implementation will help achieve the higher participation and attainment targets for universities that have been set by Government.'

Professor Davis said that this bill helps to complete the transformation of the sector and:

Along with a national regulator and the potential for positive outcomes from the Review of Higher Education Base Funding, provision of funding on the basis of student demand further defines the Government's new foundations for the university sector.

Innovative Research Universities also welcomed the changes, arguing that the bill achieves its intended purpose of allowing universities to be funded for each enrolled undergraduate except, as I have said before, medicine.

IRU's Chair, Professor Ian O'Connor, heralded this legislation as 'a major step forward for universities, recognising the need to open access to all Australians capable of university study'. The Good Universities Guide has highlighted how the demand driven funding will benefit students.

With such overwhelming support I cannot see how those opposite would stand to oppose aspects of this bill.
I want to echo and endorse some of the comments of the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Chris Evans. Minister Evans described this new legislation as the opportunity for Australia to move away from a decades-old system of central planning for university funding in which, every year, universities negotiated student places with Canberra. He said:

For the first time, universities will be able to grow with confidence and diversify in response to student needs.

Our commitment as a government is to the continued expansion of a high quality university sector, to educate the graduates needed by an economy based on knowledge, skills and innovation.

As the Bradley review highlighted, the quality and performance of a nation's higher education system will be clear determinants of its economic and social progress.

OECD data shows that Australia's proportion of graduates in the population is less than in comparable developed economies. This was echoed within the Bradley review. The review warned that Australia was falling behind other countries in both performance and investment in higher education. Moreover, the review reaffirmed that we will need more well qualified people in Australia to meet the demands of a rapidly growing global economy. The only way to increase participation in higher education is to look to those groups that are underrepresented in our universities. These are Indigenous Australians, people with low socioeconomic status and people from regional and remote areas.

We also must strategically invest in our education sector. Let us not forget that educational institutions, particularly our universities, form the third-largest export industry in Australia. Developing the intellectual capital of our nation is vital both for our own national development and prosperity and also to secure our reputation and rankings worldwide.

The reforms we have progressively introduced since 2009 ensure that we are laying the strongest foundations for our future at home, in our region and beyond. I look forward to seeing more Australians, regardless of their background, aspiring to and achieving a higher education.

To recap what this legislation plans to do. The Australian government is fully committed to transforming Australia's higher education system through implementing a demand driven system for funding undergraduate places at higher education providers, which are listed in the table in the Higher Education Support Act. The bill will give effect to the implementation of the demand driven funding system for undergraduate student places at public universities from 2012. It will do so by removing the current cap on funding for undergraduate Commonwealth supported places, except for medicine, and the current seven-year limit placed on students' eligibility to receive Commonwealth support for their higher education.

In the new demand driven funding system universities will have greater flexibility to respond to student and market demands. The amendments are integral to achieving the government's higher education attainment target of increasing the proportion of 25- to 34-year-old Australians with bachelor-level qualifications to 40 per cent by 2025. The mission based compacts will provide for Commonwealth oversight of the teaching and research missions. The bill will also promote free intellectual inquiry.

I commend the bill to the Senate and I look forward to seeing the support of all for this bill.
Senator THISTLETHWAITE (New South Wales) (21:39): I am pleased to support the Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011. The bill is the final piece of legislation in the government's implementation plan for higher education reforms, which was announced in 2009. It meets the commitment to introduce an uncapped student demand driven system in 2012 in order to increase the participation of students in courses and the rates of tertiary educational attainment in our population.

It is commonsense that when a person is eligible for university they should have a good chance of being able to gain access to a university place. However, this commonsense approach struggled to prevail under the Howard government, which saw too many talented Australians being turned away from universities because there were not enough funded places. This government, I am proud to say, will end such inequality and see doors opened to more students than ever before.

The government's higher education reforms provide extra funding for the sector, extra support for students and extra opportunities to universities to offer more places to those willing to gain a tertiary education. The main purpose of the bill is to implement a new system for the funding of undergraduate places at universities eligible for funding of Commonwealth supported places under the Higher Education Support Act. The amendments in this bill will seek to remove the caps imposed on the number of student places at each university. Instead it will provide places according to demand.

The bill has come about as a result of a wide-ranging review of the Australian higher education system that was chaired by Professor Denise Bradley. The government accepted a number of the recommendations of the Bradley review, including deregulating the allocation of university places through a demand driven entitlement system for domestic students; changes to the indexation formula of university funding; increasing targeted places to improve participation rates of low socioeconomic status students; and establishing a new tertiary education quality and standards agency.

These changes will begin the process of working towards two key targets that were established by the Bradley review. Firstly, a national target of at least 40 per cent of 25- to 34-year-olds having attained a qualification at a bachelor level or above by 2025. Secondly, that by 2020 twenty per cent of university enrolments at undergraduate level are people from low socioeconomic status backgrounds.

The cornerstone of a strong economy is an educated workforce. To provide for economic output that meets our country's achievements, we need to provide the best trained workforce in Australia and work towards being one of the most educated economies in the western world. Skills Australia has forecast that by 2025 one-third of all jobs will require a minimum of a bachelor's degree qualification. To meet that demand for highly skilled workers, this government is ensuring that everyone who is eligible can gain access to a place at an Australian university. More Australians with TAFE or university qualifications means more Australians in good jobs and higher living standards for everyone. To start this process we will invest almost $490 million over the next four years, from 2012, to uncap the number of public university places, allowing universities to offer enrolments to all eligible students. This will create an additional 80,000 student places over the four years from 2010 to 2013, allowing about 50,000 additional students to participate in higher education. We are
delivering on our promise of a new era for universities, delivering on our promise of an education revolution which focuses on students, on more access to university education, on research and innovation, on improving the skills of the workforce and on boosting productivity.

We are also building on the government's relationship of trust and mutual respect for universities. The bill also seeks to abolish the student learning entitlement. This entitlement was the subject of criticism from universities and from students. The bill also introduces requirements for universities to have policies in place to protect academic freedom in learning, teaching and research. The bill will require universities to enter into mission based compacts with the government. These mission based compacts are three-year agreements that show how each university's mission contributes to the government's goals for higher education and they include details of major higher education and research funding and performance targets. The compacts will be in two parts—one for teaching and one for research—and they will define targets for improvement and for reform. The targets will relate to quality, attainment and participation by students from underrepresented groups.

Key stakeholders in the tertiary sector—the universities and students—agree it is sensible to remove the regulatory burden and reduce administrative costs for universities so they can meet the requirements of accepting additional students. This bill will allow that to occur. We are allowing universities to pursue their main mission, which is excellence in teaching, in research and in innovation—quite simply, doing what they do best. These changes to legislation will achieve positive outcomes, increasing commencements and achieving greater equality by ensuring university places are open to talent, not just to family, school or social background.

The reforms will raise the aspirations of students who would previously never have considered going to university. This will also lift the number of low-socioeconomic-status enrolments in universities. Many of these students will be the very first members of their family to have the opportunity to attend university, and for these students access to a world-class education will give them the skills they need to achieve a better standard of living and higher paying, quality jobs for tomorrow. This is a fine Labor policy and vision, an investment in long-term reform giving more Australians the skills and education they need for a good job and a secure future. The opportunity to access a university education will change the lives of each and every one of these students.

These reforms have seen us move away from a decades-old system of central planning to a new, demand driven approach. The Gillard government's reforms of higher education underpin our drive to build a highly educated, skilled and productive workforce to underpin our nation's future. This is the final bill in a suite of reforms, the final piece of legislation in the government's implementation of the higher education reforms announced in 2009. It meets our commitment to introduce an uncapped, student demand driven system in 2012 in order to increase participation and it meets the national target set by the review of 40 per cent of 20- to 34-year-olds having attained a qualification of bachelor level or above by 2025. I commend the bill to the Senate.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Cameron): Order! I propose the question:

That the Senate do now adjourn.
Climate Change

Senator THISTLETHWAITE (New South Wales) (21:50): Tonight I wish to speak on an issue that is posing a threat to our country’s surf lifesaving clubs—in particular, the 128 surf lifesaving clubs that are located within my home state of New South Wales. The issue relates to rising sea levels and the threat that they pose to the life and the wellbeing of our surf clubs. Many members of this nation’s surf clubs enjoy worthwhile lifestyles, and I am pleased to say that I have been a member of a surf lifesaving club in Sydney for 26 years. As a long-time member and former president of Maroubra Surf Life Saving Club, I have many wonderful memories of my time on the beach, watching over fellow beachgoers in often wild and at times unforgiving surf conditions.

From an early age I was taught to treat the ocean with the utmost respect. Indeed, its power and propensity to turn from beautiful to ugly at a moment’s notice means it deserves nothing less. This was a lesson drilled into me as a youngster: even when your back is turned, you always keep one eye on the ocean. Mother Nature can be a supremely unpredictable force. This is a lesson that has served me and many surf lifesavers well throughout the world.

Senator Nash: Never turn your back on the ocean.

Senator THISTLETHWAITE: That is true. I feel that it is my duty today to pass on that lesson about always keeping your eye on the beach, because some coastal regions of New South Wales are finding out the ability of the ocean to sneak up on them. Surf clubs of this nation make up the first line of defence against the vastness of the ocean and they are, at present, facing a serious threat in the form of extreme weather events associated with sea level rise. The surf clubs are often the first to experience the effects of rising sea levels in this country and as such do not have the luxury to ‘um and ah’ over this threat. They need to take action in order to save themselves and to save the Australian way of life.

In recognising the challenges that climate change, changing weather events and sea level rise are posing for our nation, Surf Life Saving Australia has commissioned a study to develop a climate change adaptation road map that will assist in the management of projected climate change impacts. The objective of this study was to understand the risks posed by climate change, to review available strategies to address those risks and to develop a program to implement the identified strategies. The outcome is a climate change adaptation road map for surf lifesaving which outlines strategies that will increase the resilience of surf lifesaving to the projected impacts of climate change. These outcomes represent an important first step for surf lifesaving in preparing for the impacts of climate change.

Climate change is indeed a pressing issue and one that is already having an impact on a number of surf clubs. Without action, it will continue to threaten and impact on one of this nation’s most iconic movements. The study is entitled Impact of extreme weather events and climate change on surf life saving services. It assessed the range of risks climate change might pose to the surf lifesaving movement and identified a range of strategies to deal with them. Increased sea levels, altered wave climates, modified rainfall patterns and changes to the frequency and intensity of storms are just some of the effects of climate change the study found the movement will need to face in the coming years. It is true that these effects are expected with or without climate change, but the damage caused by climate
change will be far greater if no action is taken to mitigate the impact.

Of the 128 surf clubs in New South Wales, 47 per cent are located in coastal zones classified as zones of potential instability. Cudgen Headland is a surf lifesaving club on Kingscliff Beach in the north of New South Wales and perhaps one of the most vulnerable. This surf club has been hit hard recently by storm events which have caused shoreline recession in front of the club and along the adjoining beach, resulting in decreased amenity for beach users and impact on the surf club and interclub surf carnivals. The New South Wales Surf Life Saving Championships were held at the beach in March of this year and just prior to that event the local council, the surfing community and the surf club were required to dump sand from the adjoining river onto the beach just so there was enough sand to run the events. The club has been working with the Tweed Shire council to establish temporary protection measures, including sea wall construction and sand nourishment. These actions combined with the natural sediment renourishment from Cudgen Creek have improved the condition of the beach adjacent to the club. Cases such as at Cudgen Headland highlight the impact of natural climate variability on coastal conditions. Projections for climate change, including a rise in mean sea level, are likely to continue to exacerbate existing management issues and generate new management challenges for surf clubs everywhere.

Sea level rise as a result of climate change will have a number of different physical and ecological effects on coastal systems, including direct inundation, flood and storm damage, loss of wetlands, erosion, saltwater intrusion of coastal aquifers and associated rising water tables. These are all risks which were identified in the surf lifesaving study. Other effects of climate change, such as higher sea water temperatures, changes in precipitation patterns and changes in storm tracks, frequency and intensity will also affect coastal systems, both directly and through interactions with sea level rise. The report found:

Almost all Surf Lifesaving Clubs (SLSCs) in Australia are located at the forefront of the coastal zone, often within metres of the shoreline. Understandably, the vast majority of SLSCs are located on sandy beaches, which provide high amenity and support recreational use. Sandy coastal zones are vulnerable to coastal erosion and thus sensitive to the impacts of climate change. Over 63 per cent of SLSCs nationally are situated on coastal areas classified as zones of potential instability. Projected impacts of climate change include coastal erosion leading to asset exposure and changes in coastal beach safety through altered beach form.

These biogeophysical effects will, in turn, have direct and indirect socioeconomic impacts on tourism, human settlements, agriculture, freshwater supply and quality, fisheries, financial services and human health in the coastal zone.

For the great surf lifesaving movement of this nation, the impact of climate change and rising sea levels is already being felt and will continue to be an issue that the movement will need to grapple with for many years to come. It is heartening to see the foresight of those involved in the administration of surf lifesaving through the development of this road map for dealing with climate change. I would like to place on record my congratulations to the administrators of surf lifesaving in this country for their commitment to dealing with the issue of climate change, for their commitment to working with the government to address what is a serious economic and social issue for our nation and for their commitment to ensuring the continued viability of a great pastime, a great Australian tradition and a
great volunteer movement and organisation in our country. I remain committed to working with the movement to deal with one of the most pressing economic and social issues of our generation.

**South Australia: Catholic Church**

**Senator XENOPHON** (South Australia) (22:00): I rise this evening to discuss the appointment of Monsignor David Cappo to the position of chair of the federal government's new Mental Health Commission. I note that Monsignor Cappo has just retired from his position as Social Inclusion Commissioner for the South Australian government. Specifically, tonight I am calling for the federal government to make a serious, detailed and formal inquiry into allegations made by Archbishop John Hepworth, the primate of the Traditional Anglican Communion, and how they may reflect on this planned appointment to the federal government task force.

As has been detailed recently in the *Australian*, Archbishop Hepworth was the victim of violent rapes perpetrated by three priests when he was a young boy studying to become a priest and during his early years of priesthood. I have spoken to John extensively about this today and will detail the crimes perpetrated against him shortly, because I believe you need to understand the severity of abuse to fully comprehend the inadequacy of the response of the Catholic Church in South Australia. I believe the weakness of that response can be traced in part to Monsignor Cappo, who, for reasons not fully explained, has failed to act in a timely and decisive manner on this important issue.

I raise the need for immediate action in the context of the fact that one of the men who raped Archbishop Hepworth is still working as a senior Catholic priest, running a parish in South Australia. This priest, who John says violently and repeatedly raped him, maintains a privileged position in the Catholic Church. When contacted by the *Australian* about the allegations last week, the priest said:

I can't discuss matters that are confidential.

When he was further asked by the journalist for the *Australian*, Tess Livingstone, the priest reportedly giggled and said:

Good try but I won't say anything.

The raping of another human being is no laughing matter. The fact that a serving Catholic priest could meet inquiries about sexual assault with giggles is deeply disturbing. The fact that the inquiries related to this priest's own behaviour makes the reaction even more incongruous—even more bizarre.

Archbishop Hepworth says he reported the abuse he suffered to Monsignor David Cappo and Archbishop Philip Wilson way back in 2007. Archbishop Hepworth told these men he was repeatedly raped at various times over a 12-year period, beginning when he was 15. The assaults involved two priests and a fellow seminary student who was later ordained. Two of the rapists, Ronald Pickering and John Stockdale, who raped John while he was under 18, are deceased. The third priest, who raped John from on or around the time he turned 18, is still alive.

Despite being told of the abuse in 2007 and receiving a detailed six-page statement in March 2008, David Cappo told John Hepworth this year that the investigation was still at 'a preliminary stage' because, he claimed, incredibly, John had not lodged a formal complaint. I find this response to be as troubling as it is inadequate. It does not compare well with the response of the Catholic Church in Melbourne which, through the Melbourne inquiry process, has taken the crimes committed by Ronald Pickering against John Hepworth incredibly
seriously. The Independent Commissioner, Peter O'Callaghan QC, took just 12 months to resolve the matter and allowed Archbishop Hepworth to speak openly about the abuse and the resolution process. Mr O'Callaghan also accepted in his report that John had suffered 'many other instances of sexual abuse by members of the clergy in South Australia'. The Catholic Church in Victoria has provided an apology and some financial compensation. It should be noted that Cardinal George Pell, the Archbishop of Sydney, was instrumental in directing John Hepworth to the Melbourne process. Cardinal Pell deserves credit for that.

I would also like to raise my concerns about the potential abuse of the seal of the confessional in light of this case. We know in John Hepworth's case that one of his attackers tried to use the seal of the confessional to silence him by confessing to him. In other words, the abuser sought to confess to the abused as a way of shutting him up.

The impact of sexual abuse is lifelong and the adverse effects on a victim's mental wellbeing are widely documented. The act or acts eventually stop, but for too many the pain never does. Victims of child sexual abuse are more likely to suffer from anxiety and depression, alcohol and drug addiction, suicidal tendencies and many other mental conditions. Many victims of sexual abuse that I have spoken with say that the sheer act of seeking justice is an important part of the healing process and that the denial of justice, or the delay of justice, can be incredibly harmful to the mental health of victims. That is why I am concerned about the lack of urgency on David Cappo's part when it comes to this issue. It is clear that the seemingly low priority the Catholic Church in South Australia has given to this matter has caused great distress to John Hepworth. I question whether it is appropriate for a senior religious figure like David Cappo, who has responded this way to allegations of serious sexual and psychological abuse, to be given the important role of chair of the federal government's mental health task force.

Tonight I am calling for two things to happen in relation to this matter. Firstly I am calling on the government to make a serious, detailed and formal inquiry into Monsignor Cappo's handling of Archbishop Hepworth's sexual assaults before any decision to appoint Monsignor Cappo to the Mental Health Commission is finalised. And I would further ask that John Hepworth be contacted directly as part of this inquiry. I am also calling for the Catholic Church in South Australia to immediately stand down this third priest from all his duties until these allegations are fully investigated.

John Hepworth is a man of impeccable standing and he is unequivocal in the allegations he has made about the criminal behaviour of this priest. That alone should have been reason enough for David Cappo and Archbishop Wilson to immediately stand this priest down pending appropriate investigations. That has not happened, and right now there are parents sending their children to church unaware that their priest, in their parish, has been named as an abuser—a rapist. Shouldn't the Catholic Church be offering these parents a greater level of protection? I believe they should, and if they do not I will. So here is what I intend to do.

I will give the Catholic Church in South Australia until midday tomorrow to remove this priest from his post. If by midday tomorrow this hasn't happened, I intend to name the priest in question here in the Senate. David Cappo and the Catholic Church should have acted years ago. If they do not act now, I will. I do not make this decision lightly, and I have thought in great depth about the consequences of naming this
individual in order to allow his parishioners the chance to make whatever choices they wish to. By naming him in the Senate, there is a chance that it may impact in some way on some future police investigation. But I have had to weigh this up with my responsibility to those who are in contact with this priest now. How do I respond to those from this parish who will no doubt say: ‘You knew and you didn’t say anything. How could you keep that knowledge from us?’ The truth is, I do not have an answer to that, because I cannot see any moral reason to suppress this information. We have to act in the interests of parents and children in the parish first and foremost.

Given the detailed and serious allegations made by John Hepworth, and given his standing in the community and credibility as a scrupulously honest man—a good man—I feel I have no choice but to name this priest unless the Catholic Church stands him down immediately. One way or the other, this matter will be resolved tomorrow. I hope the Catholic Church in South Australia does the right thing, albeit belatedly.

**Senate adjourned at 22:09**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

Appropriation Act (No. 1) 2010-2011—
Determination to Reduce Appropriations Upon Request (No. 3 of 2011-2012) [F2011L01798].

Determination to Reduce Appropriations Upon Request (No. 4 of 2011-2012) [F2011L01799].

Australian Participants in British Nuclear Tests (Treatment) Act—Instruments Nos—


Australian Prudential Regulation Authority Act—Australian Prudential Regulation Authority (Confidentiality) Determination No. 15 of 2011—Information provided by locally-incorporated banks and foreign ADIs under Reporting Standard ARS 320.0 [F2011L01759].

Broadcasting Services Act—

Broadcasting Services (Events) Notice (No. 1) 2010 (Amendment No. 11 of 2011) [F2011L01825].

Broadcasting Services (Simulcast Period for Southern New South Wales TV1 and Griffith and MIA TV1) Determination (No. 1) 2011 [F2011L01767].

Commercial Television Conversion Scheme Variation 2011 (No. 2) [F2011L01801].

Guidelines relating to ACMA’s enforcement powers, dated 26 August 2011 [F2011L01778].


National Television Conversion Scheme Variation 2011 (No. 2) [F2011L01788].

Civil Aviation Act—

Civil Aviation Order 82.6—Instrument No. CASA EX94/11—Exemption – initial NVG pilot training prerequisites [F2011L01757].

Civil Aviation Regulations—

Civil Aviation Order 40.1.0 Amendment Instrument 2011 (No. 2) [F2011L01785].

Civil Aviation Order 108.8 Amendment Instrument 2011 (No. 1) [F2011L01821].

Instruments Nos CASA—

372/11—Direction – number of cabin attendants in Fokker F28 MK 0100 aircraft [F2011L01761].
374/11—Direction – number of cabin attendants [F2011L01758].
376/11—Direction – number of cabin attendants [F2011L01760].
386/11—Instructions – for approved use of P-RNAV procedures [F2011L01820].
Civil Aviation Safety Regulations—
Airworthiness Directives—
AD/B737/52 Amdt 3—Corrosion Prevention and Control Program (CPCP) [F2011L01782].
AD/B737/152 Amdt 1—Centre Fuel Tank Limitations [F2011L01843].
AD/B737/198 Amdt 2—Centre Tank Fuel Pumps [F2011L01845].
AD/B737/202 Amdt 2—Centre Fuel Tank Limitations [F2011L01847].
AD/B737/347 Amdt 1—Centre Wing Tank Autoshutoff Wiring [F2011L01846].
AD/F100/97 Amdt 1—State of Design Airworthiness Directives [F2011L01814].
Instruments Nos CASA—
EX88/11—Exemption – instrument rating flight tests for navigation aid endorsements [F2011L01765].
EX91/11—Exemption – for Boeing 717 flight data recorder system [F2011L01784].
EX92/11—Exemption – from having training and checking organisation [F2011L01756].
EX95/11—Exemption – take-offs from Lady Elliott Island aerodrome [F2011L01766].
EX96/11—Exemption – use of mobile phones and other electronic devices when loading fuel [F2011L01789].
EX97/11—Exemption – for operations into Lord Howe Island – Qantaslink [F2011L01780].
EX100/11—Exemption – recency requirements for night flying (Strategic Airlines Pty Ltd) [F2011L01852].
EX101/11—Exemption – from standard take-off minima [F2011L01791].
Revocation of Airworthiness Directives—Instruments Nos CASA ADCX—
017/11 [F2011L01809].
018/11 [F2011L01813].
Select Legislative Instrument 2011 No. 164—Civil Aviation Safety Amendment Regulations 2011 (No. 1) [F2011L01804].
Taxation Determinations—Addendum—TD 94/84.
Notices of Withdrawal—TD 94/93, TD 94/94 and TD 2003/2.
TD 2011/22.
TAXATION RULINGS—Notice of Withdrawal—TR 96/10.
Taxation Rulings (old series)—Addendum—IT 2680.
Notices of Withdrawal—IT 328 and IT 329.
Taxation Determinations—Addendum—TD 94/84.
Notices of Withdrawal—TD 94/93, TD 94/94 and TD 2003/2.
TD 2011/22.
TAXATION RULINGS—Notice of Withdrawal—TR 96/10.
Taxation Rulings (old series)—Addendum—IT 2680.
Notices of Withdrawal—IT 328 and IT 329.
Taxation Determinations—Addendum—TD 94/84.
Notices of Withdrawal—TD 94/93, TD 94/94 and TD 2003/2.
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TAXATION RULINGS—Notice of Withdrawal—TR 96/10.
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Notices of Withdrawal—IT 328 and IT 329.
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TD 2011/22.
TAXATION RULINGS—Notice of Withdrawal—TR 96/10.
Taxation Rulings (old series)—Addendum—IT 2680.
Notices of Withdrawal—IT 328 and IT 329.
2011/38—Maternity leave, family assistance benefits and approved clubs for overseas members — amendment.

2011/39—Member without dependants and member with dependants (unaccompanied) choice accommodation — amendment.

Environment Protection and Biodiversity Conservation Act—Amendments of lists of exempt native specimens—

EPBC303DC/SFS/2011/18 [F2011L01769].


Export Control Act—Export Control (Orders) Regulations—

Export Control (Fees) Amendment Orders 2011 (No. 1) [F2011L01865].

Export Control (Meat and Meat Products) Amendment Orders 2011 (No. 1) [F2011L01864].

Fair Work Act—Fair Work Australia Amendment Orders 2011 (No. 1) [F2011L01861].

Federal Financial Relations Act—

Federal Financial Relations (General purpose financial assistance) Determination 2009 No. 1 (April) [F2011L01841].

Federal Financial Relations (General purpose financial assistance) Determination No. 29 (August 2011) [F2011L01818].

Federal Financial Relations (National Partnership payments) Determination No. 39 (September 2011) [F2011L01849].

Financial Management and Accountability Act—


Financial Management and Accountability Determination 2011/16—Section 32 (Transfer of Functions from HEALTH to ANPHA) [F2011L01819].


Financial Management and Accountability (Variation and Abolition of the Cultural...

Select Legislative Instrument 2011 No. 163—Financial Management and Accountability Amendment Regulations 2011 (No. 4) [F2011L01795].

Fisheries Management Act—Fisheries Management (Excepted Waters) Proclamation 2011 [F2011L01806].

Food Standards Australia New Zealand Act—Australia New Zealand Food Standards Code—Standard 1.4.2 – Maximum Residue Limits Amendment Instrument No. APVMA 2, 2011 [F2011L01762].

Food Standards (Application A1034 – Advantame as a High Intensity Sweetener) Variation [F2011L01829].

Food Standards (Application A1050 – Glycerophospholipid Cholesterol Acyltransferase as a Processing Aid) Variation [F2011L01830].


Higher Education Support Act—Commonwealth Grant Scheme Guidelines No. 1—Amendment No. 8 [F2011L01816].

Higher Education Provider Approval No. 5 of 2011—Phoenix Institute of Australia Pty Ltd [F2011L01817].


National Consumer Credit Protection Act—Select Legislative Instrument 2011 No. 165—National Consumer Credit Protection Amendment Regulations 2011 (No. 5) [F2011L01805].


58 of 2011—National Health (Price and Special Patient Contribution) Amendment Determination 2011 (No. 6) [F2011L01763].


60 of 2011—National Health (Listed drugs on F1 or F2) Amendment Determination 2011 (No. 9) [F2011L01772].

61 of 2011—Amendment Determination under section 84AH of the National Health Act 1953 (2011) (No. 4) [F2011L01768].

62 of 2011—National Health (Highly specialised drugs program for hospitals) Special Arrangement Amendment Instrument 2011 (No. 8) [F2011L01777].

63 of 2011—National Health (Chemotherapy Pharmaceuticals Access Program) Special Arrangement Amendment Instrument 2011 (No. 8) [F2011L01776].


66 of 2011—National Health (Trastuzumab) Special Arrangement Amendment Instrument 2011 (No. 2) [F2011L01775].


Occupational Health and Safety Act—Notice No. 1 of 2011—Occupational Health and Safety

CHAMBER
Torres Strait Fisheries Act—
Torres Strait Fisheries Act—
Torres Strait Fisheries Logbook Instrument No. 1 [F2011L01810].
Torres Strait Fisheries Management Instrument No. 6 [F2011L01811].
Torres Strait Fisheries Management Instrument No. 7 [F2011L01835].
Torres Strait Fisheries Management Instrument No. 8 [F2011L01837].
Torres Strait Fisheries Management Instrument No. 9 [F2011L01840].
Veterans’ Entitlements Act—
Instruments Nos—

Statements of Principles concerning—
Allergic Contact Dermatitis No. 112 of 2011 [F2011L01750].
Allergic Contact Dermatitis No. 113 of 2011 [F2011L01753].
Anosmia No. 118 of 2011 [F2011L01751].
Anosmia No. 119 of 2011 [F2011L01752].
Chronic Pancreatitis No. 104 of 2011 [F2011L01735].
Chronic Pancreatitis No. 105 of 2011 [F2011L01737].
Irritant Contact Dermatitis No. 110 of 2011 [F2011L01746].
Irritant Contact Dermatitis No. 111 of 2011 [F2011L01747].
Malignant Neoplasm of Bone and Articular Cartilage No. 106 of 2011 [F2011L01742].
Malignant Neoplasm of the Bladder No. 96 of 2011 [F2011L01728].
Malignant Neoplasm of the Bladder No. 97 of 2011 [F2011L01730].
Malignant Neoplasm of the Renal Pelvis and Ureter No. 98 of 2011 [F2011L01733].
Multiple Sclerosis No. 100 of 2011 [F2011L01736].
Multiple Sclerosis No. 101 of 2011 [F2011L01738].
Patellar Tendinopathy No. 114 of 2011 [F2011L01743].
Patellar Tendinopathy No. 115 of 2011 [F2011L01745].
Renal Artery Atherosclerotic Disease No. 102 of 2011 [F2011L01739].
Renal Artery Atherosclerotic Disease No. 103 of 2011 [F2011L01731].
Spinal Adhesive Arachnoiditis No. 117 of 2011 [F2011L01749].
Sprain and Strain No. 94 of 2011 [F2011L01726].
Sprain and Strain No. 95 of 2011 [F2011L01727].
Governor-General’s Proclamation—Commencement of provisions of an Act
Financial Framework Legislation Amendment Act (No. 1) 2011—Schedules 1 and 2—1 September 2011 [F2011L01793].

**Statements of Compliance and Letter of Advice**

Statements of compliance and letters of advice relating to the continuing orders on departmental and agency files and contracts are tabled.

- Letter of advice (contracts)—Foreign Affairs and Trade portfolio
- Statements of compliance (indexed lists of files)—Defence portfolio; Finance and Deregulation portfolio; Australian Institute of Family Studies; Infrastructure and Transport portfolio, Safe Work Australia, Fair Work Ombudsman
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Regional Australia, Regional Development and Local Government: Stationery
(Question Nos 230 and 231)

Senator Humphries asked the Minister representing the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

Senator Sherry: The Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts has provided the following replacement answer to the honourable senator’s question:

(1) The total amount spent on publications from 14 September 2010 to 29 November 2010 was $1,181. On stationery, the cost per ream (500 sheets) of paper (excluding pre-printed ministerial letterhead) is $5.00.

(2) My ministerial office uses ‘Stephen Swiss White’ A4 paper and matching envelopes for ministerial correspondence. The cost per ream (500 sheets) was $32.87 and if ordered in bulk the cost per ream (50 reams or more) is discounted to $26.40 per ream. The cost of envelopes was $76.50 per box of 500.

(3) The ministerial letterhead is 115gsm.

(4) The paper used for ministerial correspondence is certified carbon neutral by the Department of Climate Change and Energy Efficiency’s National Carbon Offset Standard (NCOS).

Foreign Affairs and Trade: Stationery
(Question Nos 232 and 246)

Senator Humphries asked the Minister representing the Minister for Foreign Affairs and the Minister representing the Minister for Trade, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

Senator Conroy: The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator's question:

(1) For the period 14 September to 29 November 2010, the total amount spent on stationery and publications and the breakdown of spending is as follows:
(2) For the period 14 September to 29 November 2010, the total amount spent on printing ministerial letterhead is as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Expenditure on ministerial letterhead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Foreign Affairs</td>
<td>$2,574.35</td>
</tr>
<tr>
<td>Minister for Trade</td>
<td>$2,133.43</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>$676.24</td>
</tr>
<tr>
<td>Parliamentary Secretary for Trade</td>
<td>$704.36</td>
</tr>
</tbody>
</table>

(3) Ministerial letterhead printed to date is 110 grams per square metre. Following the transition to a new product, all future ministerial letterhead will be 104 grams per square metre.

**Defence: Stationery**

*(Question No. 260)*

**Senator Humphries** asked the Minister representing the Minister for Defence, the Minister for Defence Science and Personnel, and the Minister for Defence Materiel, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral?

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question

(1) The table below provides a breakdown of spending on stationery and publications, for each office from 14 September 2010 to 30 November 2010.

<table>
<thead>
<tr>
<th>Office</th>
<th>Stationery</th>
<th>Publications</th>
<th>Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Defence</td>
<td>$4,140.56</td>
<td>$3,172.74</td>
<td>$7,313.30</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Nil</td>
<td>$1,193.65</td>
<td>$1,193.65</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>$6,961.85</td>
<td>$2,410.26</td>
<td>$9,372.11</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>$635.49</td>
<td>$1,193.65</td>
<td>$1,829.14</td>
</tr>
</tbody>
</table>

(2) The table below provides a breakdown of spending on ministerial letterhead, for each office from 14 September 2010 to 30 November 2010.

<table>
<thead>
<tr>
<th>Office</th>
<th>Expenditure on ministerial letterhead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Defence</td>
<td>$469.42</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>Nil</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>Nil</td>
</tr>
</tbody>
</table>
(4) Ministerial letterhead printed to date is not carbon neutral. Future ministerial letterheads will be printed on paper which is manufactured carbon neutral.

**Defence: Stationery**

*(Question No. 267)*

**Senator Humphries** asked the Minister representing the Minister for Defence, the Minister for Defence Science and Personnel, and the Minister for Defence Materiel, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

1. What has been the total amount spent on stationery and publications, including a breakdown of all spending.
2. What has been the total amount spent on printing ministerial letterhead.
3. What is the grams per square metre [GSM] of the ministerial letterhead.
4. Is the letterhead carbon neutral?

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

1. The table below provides a breakdown of spending on stationery and publications, for each office from 14 September 2010 to 30 November 2010.

<table>
<thead>
<tr>
<th>Office</th>
<th>Stationery</th>
<th>Publications</th>
<th>Total Expenditure</th>
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</thead>
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<tr>
<td>Minister for Defence</td>
<td>$4,140.56</td>
<td>$3,172.74</td>
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</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Nil</td>
<td>$1,193.65</td>
<td>$1,193.65</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>$6,961.85</td>
<td>$2,410.26</td>
<td>$9,372.11</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>$  635.49</td>
<td>$1,193.65</td>
<td>$1,829.14</td>
</tr>
</tbody>
</table>

2. The table below provides a breakdown of spending on ministerial letterhead, for each office from 14 September 2010 to 30 November 2010.

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<thead>
<tr>
<th>Office</th>
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<tbody>
<tr>
<td>Minister for Defence</td>
<td>$469.42</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>Nil</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>Nil</td>
</tr>
</tbody>
</table>

3. Ministerial letterhead printed to date is 110 grams per square metre. Following the transition to a new product, all future ministerial letterhead will be 104 grams per square metre.

4. Ministerial letterhead printed to date is not carbon neutral. Future ministerial letterheads will be printed on paper which is manufactured carbon neutral.

**Regional Australia, Regional Development and Local Government**

*(Question Nos 272 and 273)*

**Senator Humphries** asked the Minister representing the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries within their portfolio:

1. Do the Minister and Parliamentary Secretaries have access to a departmental credit card; if so, can a copy be provided of all bank statements.
2. (a) How many mobile devices are provided to the Minister’s office; and (b) what is the total spend on mobile devices for each office to date.
QUESTIONS ON NOTICE

(3) At what level is each staff member employed in the office.

(4) What has been the total cost of travel for the Minister and Parliamentary Secretaries.

(5) What has been the total travel for all staff, by office.

Senator Sherry: The Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts has provided the following replacement answer to the honourable senator’s question:

(1) No

(2) (a) 33, (b) $9,308 as at 31 December 2010.

(3) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 19 October 2010, the Department of Finance and Deregulation tabled with the Senate Finance and Public Administration Committee, Government Personal Positions as at 1 October 2010.

(4) The cost of official travel by Ministers, Parliamentary Secretaries and accompanying staff employed under the Members of Parliament (Staff) Act 1984 are largely paid by the Department of Finance and Deregulation. As such, the information sought will be tabled by the Special Minister of State in the last sitting week of June 2011 in his six-monthly report on Parliamentarian’s Travel Paid by the Department of Finance and Deregulation. As at 29 November 2010 there was no expenditure on short-term transport (cars or taxis).

(5) The Special Minister of State will respond on my behalf in relation to this question.

Foreign Affairs and Trade
(Question Nos 274 and 288)

Senator Humphries asked the Minister representing the Minister for Foreign Affairs and the Minister representing the Minister for Trade, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries within their portfolio:

(1) Do the Minister and Parliamentary Secretaries have access to a departmental credit card; if so, can a copy be provided of all bank statements.

(2) (a) How many mobile devices are provided to the Minister's office; and (b) what is the total spend on mobile devices for each office to date.

(3) At what level is each staff member employed in the office.

(4) What has been the total cost of travel for the Minister and Parliamentary Secretaries.

(5) What has been the total travel for all staff, by office.

Senator Conroy: The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator's question:

(1) The Ministers and Parliamentary Secretaries do not have access to a departmental credit card.

(2) (a) The following table sets out the number of mobile devices provided to the offices of Ministers and Parliamentary Secretaries as at 29 November 2010:

<table>
<thead>
<tr>
<th>Mobile devices</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Minister for Foreign Affairs</td>
<td>19</td>
</tr>
<tr>
<td>Office of Minister for Trade</td>
<td>15</td>
</tr>
<tr>
<td>Office of Parliamentary Secretary for Pacific Island Affairs</td>
<td>5</td>
</tr>
<tr>
<td>Office of Parliamentary Secretary for Trade</td>
<td>5</td>
</tr>
</tbody>
</table>
Office of Minister for Foreign Affairs: as at 29 November 2010 there were three Departmental Liaison Officer (DLO) positions, two occupied by DFAT staff (one at EL1 level and one at APS4 level) and one occupied by AusAID staff (EL1 level).

Office of the Minister for Trade: as at 29 November 2010 there were two Departmental Liaison Officer (DLO) positions, one occupied by DFAT staff (EL2 level) and one occupied by Austrade staff (EL2 level).

Office of the Parliamentary Secretary for Pacific Island Affairs: as at 29 November 2010 there was one vacant Departmental Liaison Officer (DLO) position.

Office of the Parliamentary Secretary for Trade: as at 29 November 2010 there was one Departmental Liaison Officer (DLO) position occupied by Austrade staff (EL1 level).

(4) The Department of Finance and Deregulation (DoFD) is responsible for the payment of domestic and overseas travel costs of Ministers and Parliamentary Secretaries. For information on these costs please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually giving details of dates, purpose of travel, countries of destination and costs of visits.

(5) The Department of Finance and Deregulation (DoFD) is responsible for the payment of domestic and overseas travel costs of ministerial staff employed under the MOP (S) Act. For information on these costs please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually giving details of dates, purpose of travel, countries of destination and costs of visits.

The total cost and description of travel for staff employed as Departmental Liaison Officers (DLOs) in each office as at 29 November 2010 is as follows:

<table>
<thead>
<tr>
<th>Office of Minister for Foreign Affairs</th>
<th>$3,227.97</th>
</tr>
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<tbody>
<tr>
<td>Total Cost</td>
<td>Travel to Melbourne 5-9 November 2010</td>
</tr>
<tr>
<td></td>
<td>Travel to Brisbane 26-27 November 2010</td>
</tr>
<tr>
<td>Office of Minister for Trade</td>
<td>Nil</td>
</tr>
<tr>
<td>Office of Parliamentary Secretary for Pacific Island Affairs</td>
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</tr>
<tr>
<td>Office of Parliamentary Secretary for Trade</td>
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**Burma**

(Question No. 338)

**Senator Ludlam** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 6 December 2010:

With reference to the role of the Australian Safeguards and Non-Proliferation Office (ASNO) and nuclear weapons proliferation in Burma, and specifically referring to the statement made by Mr Allan McKinnon, First Assistant Secretary, International Security Division, Department of Foreign Affairs and Trade, in May 2010 during the Budget estimates hearings of the Foreign Affairs, Defence and...
Trade Legislation Committee, in which he indicated that the Government shared international concern about Burma's alleged nuclear problem, 'but the most we can do at this time is to monitor developments in Burma':

(1) (a) What efforts have been made to monitor developments in Burma relating to its alleged nuclear weapons program since May 2010; and (b) what role has ASNO played.

(2) In regard to the September 2010 International Atomic Energy Agency (IAEA) Assembly in Vienna, Austria, where the Burmese military junta's statement included a refutation of allegations of a nuclear weapons program, what are the steps that can be taken by the: (a) IAEA; and (b) Minister, given that Burma now has two obsolete IAEA agreements and has failed to execute the 'Additional Protocol'.

(3) Given that the Burmese military junta also shields itself from questions and inspections using another out-of-date agreement called a 'Small Quantities Protocol' which exempts states that only have small amounts of nuclear materials and no nuclear facilities from IAEA inspections and close oversight, how has Australia used its position on the Board of Governors, and its mission in Vienna to address this potentially very serious proliferation issue in our region.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) (a) and (b) DFAT (including ASNO) draws on a range of sources of information to monitor closely developments relating to Burma's alleged nuclear activities. This activity is ongoing.

(2) (a) The IAEA is continuing its efforts to strengthen safeguards in Burma including by urging Burma to bring into force a modified Small Quantities Protocol (Mod-SQP) and an Additional Protocol (AP) at the earliest opportunity.

(b) The Government will continue to discuss with Burmese authorities, other States and the IAEA how to strengthen safeguards in Burma (including conclusion of a Mod-SQP and an AP) and the allegations of a nuclear weapons program.

(3) Australia has called on the Burmese Government to be transparent about any nuclear activities, to abide by its obligations under the NPT, and to declare all of its nuclear facilities and material (including conclusion of a Mod-SQP and an AP). Australia is a prominent advocate in Vienna, and elsewhere, of strengthened safeguards and the need to ensure that the IAEA has the necessary capabilities to evaluate and act on safeguards issues of concern.

Burma
(Question No. 364)

Senator Ludlam asked the Minister representing the Minister for Foreign Affairs, upon notice, on 17 December 2010:

With reference to the monitoring of Burma's alleged nuclear program and the role of the Australian Safeguards and Non-Proliferation Office (ASNO):

(1) (a) What efforts have been made to monitor developments in Burma relating to its alleged nuclear weapons program since May 2010; and (b) what role has ASNO played.

(2) At the September 2010 International Atomic Energy Agency (IAEA) Assembly in Vienna, the Burmese military junta's statement included a refutation of allegations of a nuclear weapons program. What has the IAEA done to investigate this statement.

(3) How has Australia used its position on the Board of Governors, and Australia's Mission in Vienna to address this potentially very serious proliferation issue in our region.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:
(1) (a) and (b) refer to the response provided to Question No. 338 (1).

(2) Prior to the Burmese Government's September 2010 statement to the IAEA General Conference, the IAEA Director General said on 7 June 2010 that the IAEA was assessing allegations about a Burmese nuclear weapons program and, if necessary, would seek clarification from Burma.

The Department of Foreign Affairs and Trade is aware that the IAEA Secretariat has written to the Burmese Government. Such communication, is confidential to the parties.

Within the scope of Burma's safeguards obligations to the IAEA, IAEA Director General Amano, in his Safeguards Statement for 2010 (submitted to and noted by the IAEA Board of Governors at its June 2011 meeting) concluded that for 2010 "the Secretariat found no indication of the diversion of declared nuclear material from peaceful purposes". On that basis, the IAEA Secretariat stated that "declared nuclear material remained in peaceful purposes".

The Department of Foreign Affairs and Trade is aware that the IAEA holds regular discussions with Burma, including each year during the week of the IAEA General Conference (usually held in September or October). In July 2011, both Burma and the IAEA Secretariat attended the meeting of the Australia-initiated Asia-Pacific Safeguards Network.

(3) Refer to the response provided to Question No. 338 (3).

Broadband, Communications and the Digital Economy
(Question No. 444)

Senator Ludlam asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 16 March 2011:

With reference to digital television access in remote communities:

(1) Can the Minister confirm writing to around 140 remote Indigenous communities that run analogue television self-help transmission facilities, on or about 1 April 2010, to advise them of the options they had for converting to digital.

(2) Is it a fact that one of the options provided in that letter was for the communities to set up a digital self-help television transmission facility.

(3) In regard to a letter I received on 21 December 2010 indicating that the special equipment required to set up a Viewer Access Satellite Television (VAST) fed digital terrestrial facility would only become available in January 2011, could the department state exactly what assistance it might have provided those Indigenous communities to assess the option of setting up their own digital self-help transmission facility.

(4) As a comparison, can an outline be provided of what the department and the Government have done to financially assist and inform homes within those communities to assess the option of converting to the new VAST satellite.

(5) Is it a fact that, for 16 of the above remote Indigenous communities in North and far North Queensland, pressure is being exerted for them to finally decide, by 28 February, whether the households within those communities will convert to Direct-To-Home (DTI) from the new VAST satellite platform or set up their own digital terrestrial self-help transmission facility.

(6) In developing the new VAST satellite platform and the Satellite Subsidy Scheme (SSS), announced nearly a year ago, what assessments had the department undertaken on remote Indigenous communities to develop knowledge about the:

(a) average number of television sets and recorder devices in homes which would need to be converted to digital;

(b) way in which Indigenous people watch television, particularly during the summer months when it is very hot inside homes;
(c) extent of insertion of local material into local self-help television transmissions; and
(d) extent to which indoor, cheap set top aerials only are needed for current terrestrial television reception.

(7) I understand that the per home subsidy available to homes in, so called, remote Indigenous communities in Queensland to convert to the VAST satellite is $980, however, if an Indigenous home is located elsewhere in Queensland (for example, Quilpie or Normanton) the subsidy will be either $550 or $700 respectively – can an explanation be provided regarding the reasons for the difference, including exactly what consultation took place with remote Indigenous viewers when determining these figures.

(8) At Estimates in May 2010, the department stated that the only currently available model of a VAST set top box cost approximately $269 (a cost now estimated at $280), whereas the Minister stated at the same time that an equivalent High Definition terrestrial set top box cost approximately $80, indicating that portable indoor aerials for terrestrial television reception are clearly less expensive than satellite dishes and mounts – is it therefore a fact that the total private and public subsidy cost of homes in remote Indigenous communities converting to digital via satellite is nearly always likely to be significantly more expensive than converting by terrestrial means.

(9) Is it a fact that, after the satellite subsidy period expires, all new or replacement homes in remote Indigenous communities will be faced with the full, extra cost of VAST direct from satellite reception and that this will nearly always be more expensive than equivalent digital terrestrial reception.

(10) Is it a fact that no businesses or public facilities in remote Indigenous communities, such as schools, health clinics and community facilities, will be eligible for the VAST satellite conversion subsidy.

(11) What cost benefit studies has the department undertaken to compare, for example, the 10 year, full private and public cost of converting remote Indigenous communities (including new homes and businesses) to digital via VAST satellite or self-help digital terrestrial means and can details of any such cost benefit study be provided.

(12) What is the view of the department regarding the ongoing private cost of maintaining satellite dishes and, in particular, smart cards for the VAST set top boxes in remote Indigenous communities.

(13) Has the department conducted a detailed survey following the two recent cyclones in far North Queensland regarding the impact of cyclonic winds on individual DTH satellite dish installations.

(14) If Queensland local councils and remote Indigenous communities are being required to choose between DTH VAST or digital terrestrial self-help by 28 February and remote Indigenous homes in Queensland will be invited to opt into the Government’s per home subsidy scheme to assist them in converting to satellite on 20 April, what is the Government doing to assist remote Indigenous communities to develop robust digital self-help facility designs and to compare the overall benefits of converting to digital via VAST satellite or digital self-help terrestrial means before these deadlines.

(15) Will the Government consider allowing remote Indigenous communities to pool their per home satellite subsidy payments and use this total amount to help pay for the establishment of a digital terrestrial self-help transmission facility; if not, what exactly is the basis for such a position.

Senator Conroy: The answer to the honourable senator’s question is as follows:

(1) On or about 30 March 2010, I wrote to all 362 licensees of self help retransmission facilities to advise them of the options for converting to digital. This included about 265 licensees in remote areas of which about 87 operate self help facilities in about 112 remote indigenous communities.

(2) Yes.

(3) The department is not in a position to provide detailed technical and cost advice to communities about establishing digital self help facilities. The department provides general advice about the benefits
of the Government-funded VAST satellite service, and has also written to a number of councils to ensure they are fully aware of the costs and other issues associated with setting up self help digital terrestrial towers. Decisions about whether or not to establish such facilities, or to upgrade existing facilities which are not on the broadcasters’ self-help upgrade list, are matters for the local community.

(4) The department does not provide financial support to homes to assess the option of converting to the new VAST satellite.

Licence holders of self help towers that are not converted to digital by broadcasters must make a choice whether or not to upgrade their facilities to digital themselves. If the decision is made by the licensee to not upgrade the facility, the community serviced by that tower will then be eligible for the Satellite Subsidy Scheme, to assist eligible households in meeting the cost of conversion to VAST. This recognises previous investment by these communities, usually through their rate payments, in maintaining local facilities. The amounts of the co-payment in each area will be made available to households in that area as part of the delivery of the Scheme, so that households have clear information of the cost to them of moving to VAST.

(5) Between March 2010 and February 2011, the Minister and the department had a number of communications with self help licensees, including in Queensland. A final date of 20 June 2011 was set for councils in regional and remote Queensland to decide whether or not they wished to convert their own towers or allow their communities to move to the VAST service with assistance from the Satellite Subsidy Scheme. It was made clear to councils that on that date it would be assumed that the Council would not be converting their tower, so SSS would start organising to deliver subsidised VAST installation to eligible households. These timeframes were needed to ensure that the Satellite Subsidy Scheme could be delivered to Queensland communities in a timely fashion in advance of switchover in regional Queensland in December.

(6) The department has visited a number of Remote Indigenous Communities in Queensland, and also some in other parts of Australia, to refine its approach to delivering the Satellite Subsidy Scheme in those communities. Officers discussed with community members the viewing preferences of different households and communities, climatic conditions and other issues. This work is ongoing.

Based on research undertaken by the department, there are up to 31,000 households in defined remote Indigenous communities across Australia that are likely to be eligible for the Satellite Subsidy Scheme. The majority of these households are in remote Western Australia, Northern Territory, remote South Australia and far North Queensland. The Scheme allows for the conversion of one television set per household to be met by Government at no cost to the household in Indigenous communities, and also allows for extra connections to be installed by the technician at the cost of the householder.

While set top aerials potentially allow greater portability, it should be noted that many towers in remote communities are small with low powered transmitters, and reception by set top aerials may not be reliable. Reliable reception would often require fixed roof top aerials, which would present the same issues regarding portability of sets (whether within or outside the home) as satellite receivers. In addition, communities may not be in a position to properly maintain or provide a protected operating environment for the transmission equipment, meaning that services could be off air for extended periods.

The extent to which local content insertion occurs in self-help television transmissions in remote Indigenous communities was considered in the recent review into Indigenous Broadcasting. The Government is currently considering the report of the review.

(7) Eligibility for the additional $280 assistance is based on a definition of remote Indigenous community widely accepted and used by many Government agencies. The definition includes reference to a geographic location, bounded by physical boundaries, and inhabited predominantly by Aboriginal or Torres Strait Islander peoples with housing or infrastructure that is managed on a community basis.
This additional assistance will mean that, under the Satellite Subsidy Scheme, installations are essentially at no cost to the household in these communities.

A clear definition for Indigenous communities, using accepted Government definitions, is necessary in order to allow for the successful delivery of the Scheme. This allows whole communities to be provided with consistent services under the Scheme. It is not feasible to deliver the Scheme in circumstances where different households or groups of households within a wider general population (e.g., Normanton) receive different types of service at different costs. Moreover, these towns often have better established local council structures and lower installation costs than very remote Indigenous communities.

The key cost from the household perspective is the co-payment actually paid by the household, not the amount of subsidy. Contracts for delivery of the Scheme are negotiated on the basis of a single fixed co-payment cost per household in a switchover region or part of a switchover region, regardless of location, which to date has been between $200-$220 per household.

(8) The Government gave extensive consideration to the merits of different options to ensure that all Australians are able to receive the same number of television channels, no matter where they live. A satellite service is required regardless of terrestrial upgrades – it is not feasible or economically viable to provide the full range of digital channels to virtually all Australians by terrestrial means alone.

Accurate cost comparisons between terrestrial transmission and satellite are difficult to make because the upgrade and operating cost of terrestrial self-help retransmission facilities is potentially unique to each site, and the costs of installing direct-to-home satellite also vary. For example, the upgrade of a self-help retransmission site might require complete replacement of all broadcasting infrastructure at a site, or it might require only some items to be upgraded if others are already suitable for digital transmission. It might also require replacement or upgrade of the electricity supply and air conditioning at the site. Ongoing operational costs for terrestrial retransmission will depend on the level of servicing provided, the time period over which any service contracts operate, and the timeframes for service responses.

The costs of receiving digital terrestrial signals in homes and businesses will also vary depending on their location, number of receivers and the suitability of their existing antenna arrangements. For example, while some premises may be able to receive digital services with existing indoor antennas, others served by the same terrestrial site may need to modify or install a new external antenna or a high gain antenna with a masthead amplifier. Additionally, satellite delivery will incur one-off costs for consumers and broadcasters rather than the ongoing nature of terrestrial transmission costs for licensees.

Conversion of terrestrial sites is also not ‘cost-free’ to householders. In addition to equipment needed in the home to receive digital signals, the costs of upgrading to digital, ongoing maintenance and transmission costs can be expected to be passed on to householders through their rates.

(9) After the Satellite Subsidy Scheme period in an area expires, households in the area (new or existing) will not be able to receive a subsidy under the Scheme.

(10) Yes. The government is not providing assistance to businesses or public facilities to convert to digital in any areas of Australia.

(11) See answer A8 above. The Government decided to implement a comprehensive satellite service to provide services in areas across Australia that are not served by digital terrestrial towers, and to support local communities to move to that service in cases where self help towers were not converted to digital. The Government considers that satellite is an excellent option for communities not a second best solution.

Each affected community is now able to offer their members a choice – whether to continue with the traditional terrestrial self-help transmission and pay for the upgrade and ongoing costs, or choose to
avail themselves of the satellite TV service now being offered. This is a decision for each community to make and to weigh up the pros and cons that affect their community.

(12) The Satellite Subsidy Scheme provides one-off to move to digital – its purpose is to assist conversion to digital, not to permanently subsidise television watching in communities. The ongoing private cost of maintaining satellite dishes and smart cards is the responsibility of the householder, after the after-care period has expired. This is consistent with households in all other areas of Australia that access the Satellite Subsidy Scheme.

This is also consistent with many Indigenous households in remote areas that currently receive Aurora, the previous generation free-to-air satellite television, which continues to broadcast until 2013.

(13) The department’s tender and contractual documents specify that the installations must meet the Building Code of Australia and Australian standards to ensure any installations provided under the SSS scheme are safe and fit for purpose in cyclonic areas of Australia. Tens of thousands of Aurora, Austar and Foxtel satellite dishes in northern Australia have withstood many tropical cyclones and storms in recent years.

(14) The Government has not provided assistance to any communities across Australia to explore the merits of different digital television transmission and reception options.

(15) The government carefully considered proposals to allow for the ‘pooling’ of funds to support community-based terrestrial but did not support these for a range of policy and operational reasons.

The government’s aim in the switchover process was to address, as much as possible, long-standing issues in regional and remote areas and ensure the delivery of the full suite of channels available in metropolitan areas through reliable, consistent and ‘future-proof’ infrastructure arrangements.

The government considers that pooling of funds would not cover all the costs of converting self-help facilities, particularly in small communities. In addition, the pooling of subsidies would result in a patchwork approach – providing various standards of service which would be a less than optimal outcome and inconsistent with the Government’s objective of providing equal television services to viewers in all parts of Australia.

This would also make the program more complex, and therefore costly, to deliver. Allowing some councils to pool the subsidy would give rise to reduced economies of scale. It would also create an administratively complex scheme, requiring individual contractual arrangements with an unknown proportion of the 360 self-help licensees, layered on top of the current Satellite Subsidy Scheme model.

**Defence: Program Funding**

(Question No. 506)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 21 March 2011:

(1) With reference to the Government commissioned report, 2008 Audit of the Defence Budget which identified that a real growth rate of 3.5 per cent in capital expenditure on SME [Specialised Military Equipment] [is required] just to replace today's equipment. To deliver the capabilities proposed in the recommended Force Structure Option requires a growth rate of 4.2 per cent: What will be the amount required to fund, in nominal dollars, the major capital equipment program each year from 2010-11 to 2029-30, so as to fund the White Paper ‘Force 2030’ initiatives.

(2) With reference to the report, The Cost of Defence: ASPI Defence Budget Brief 2010 -11 which states, ‘on the basis of long-term trends in defence costs, it is unlikely that the promised 2.2 per cent real growth post 2017-18 will be adequate to sustain let alone expand the ADF [Australian Defence Force] as planned. In other words, the plan was probably not affordable to begin with’: Based on this analysis, as at 31 December 2010, how will the Government fund its Defence White Paper commitments when funding drops to 2.2 per cent real growth per annum, below that needed to sustain the ADF.
**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) The amount required to fund the major capital equipment program each year from 2010-11 to 2029-30 to deliver the White Paper 'Force 2030' has been previously provided as outlined below:

(a) at the Senate Estimates hearing on Wednesday 3 June 2009, it was stated that the estimated overall cost of buying the capabilities outlined in the White Paper will be between $245-$275 billion out to 2030; and

(b) on 24 January 2011, Defence provided an update of between $215-$245 billion. This reduction was due to the appreciation of the Australian dollar against the US dollar since that time.

Since January 2011, the Australian dollar has appreciated further against the US dollar and the revised estimate of the amount required to fund the major capital equipment program each year from 2010-11 to 2029-30 to deliver the White Paper 'Force 2030' is between $210-$240 billion.

(2) In the 2009-10 budget, the Government provided Defence with additional funding of $146.1 billion to fund the White Paper over the 21 years to 2029-30 as a result of changing the funding model for Defence. The 2.2 per cent real growth funding beyond 2017-18 is consistent with the inherent long-term cost of Defence, a point highlighted in the 2008 Defence Budget Audit.

**Defence: Hospitality**

(Question No. 522)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 21 March 2011:

With reference to the answer provided to Questions on Notice No's. 117-119:

(1) Who attended the Majestic Cruises, Sydney Harbour event on 30 November 2010.

(2) What was the cost per head for this function.

(3) What was the official purpose of this function.

(4) Who approved the expenditure.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) The inaugural Asia South-West Pacific Region Reserves Capability Forum was hosted by Head Cadet, Reserve and Employer Support Division, Major General A.G. Melick, on behalf of the Australian Defence Force, from 30-31 July 2010. A social activity on Sydney Harbour was conducted on the evening of 30 July 2010 aboard a Majestic Cruises ship. There were 76 attendees, which included delegation members and their partners from Indonesia, Malaysia, Pakistan, The Philippines, New Zealand, Singapore and Thailand. Australian attendees included members of the Defence Reserve Support Council and Defence Reserves Association, Navy, Army and Air Force representatives and Forum staff.

(2) The cost per head for the function was $120.00.

(3) The official purpose of the function was 'Official Hospitality for International Guests attending the inaugural Asia South West Pacific Region Reserves Capability Forum (ASWPRRCF) 2010'.

(4) The activities conducted as part of the Forum, including the official dinner function, were authorised by Head Cadet, Reserve and Employer Support Division. The funding of the Forum dinner was authorised in the Forum Administration Instruction, signed by the Deputy Head Cadet, Reserve and Employer Support Division.
Defence: Hospitality  
(Question No. 530)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 21 March 2011:

With reference to the answer provided to Question on Notice No's. 117-119:

(1) How many attended the 34 Squadron Thank You function at Parliament House on 24 November 2010.

(2) What was the cost per head for this function.

(3) What was the official purpose of this function.

(4) Who approved the expenditure.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

The figures originally provided by the Department in response to Questions on Notice No's 117-119 (Table 3) in relation to the 34 Squadron function are incorrect. This was due to a transcription error in the data provided to respond the question.

(1) Approximately 100 guests attended the 34 Squadron function at Parliament House on 24 November 2010.

(2) The cost per head for the function was $32.18 (excluding GST). A full breakdown of the cost of the 34 Squadron function is detailed in the table below:

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<thead>
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<th>Description</th>
<th>Cost (ex GST)</th>
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<td>Food - Supermarket/Delicatessen</td>
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<tr>
<td>Other Expenses Total</td>
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<tr>
<td>Total Function Cost (ex GST)</td>
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</tr>
</tbody>
</table>

Note:
(a) Per head cost has been calculated by dividing the total cost by the number of attendees.
(b) Costs reported in the above table have been taken from submitted invoices/receipts to the Ministerial and Executive Support Branch as at 25 March 2011.

(3) The purpose of the official function was to 'thank' 34 Squadron personnel for their on going efforts and outstanding efficiency in providing special purpose transport to visiting Heads-of-state, Governor-General, Prime Minister and other Australian Government officials.

QUESTIONS ON NOTICE
(4) Expenditure of the official hospitality was approved in accordance with Chapter 2.2 (Clause 2.2.3) of the Department of Defence Financial Management Manual by the Assistant Secretary of Ministerial and Executive Support.

Civil Aviation Safety Authority
(Question No. 839)

Senator Abetz asked the Minister representing the Minister for Infrastructure and Transport, upon notice, on 20 July 2011:

In regard to a recent Lateline program on aeroplane construction (namely Boeing) and parts not meeting their specifications, especially supporting hoops for fuselages: As a result of the report:

(a) have any investigations been undertaken by the Civil Aviation Safety Authority in relation to equipment purchased from Boeing by the domestic carriers; if so, what have those investigations revealed;

(b) is the department in negotiations with Boeing or domestic carriers concerning these revelations; and

(c) what steps, if any, have been taken to investigate the potential safety issues outlined in the program.

Senator Carr: The Minister for Infrastructure and Transport has provided the following answer to the honourable senator's question:

I have been advised by the Civil Aviation Safety Authority (CASA), Australia's independent aviation safety regulator, that it is aware of the claims aired in the "Dateline" program. However, CASA has also advised that the claims have not been substantiated by the US Federal Aviation Administration (FAA) which conducts oversight of aircraft manufacturing systems in the US, including the production of Boeing aircraft. CASA has also confirmed there have been no airworthiness directives issued in relation to claims made in the documentary.

Broadband, Communications and the Digital Economy
(Question No. 843)

Senator Ludlam asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 21 July 2011:

(1) What studies have been undertaken into the existing use of wireless audio devices in Australia and overseas.

(2) What studies have been undertaken into the future use of wireless audio devices in Australia and overseas.

(3) Will sufficient new spectrum be made available for new device which are compliant with the post-restack environment.

(4) What is the normal ‘lifespan’ of these devices and how many are currently used in Australia.

(5) When will certainty be given to manufacturers, importers, wholesalers, retailers and users of these products as to the new regulatory requirements.

(6) Will there be sufficient timelines for manufacturers, importers, wholesalers, retailer and users of these products to manufacturer and replace existing products.

(7) How and when will existing users be advised that their wireless audio devices will no longer be licensed.

(8) What plans are in place to ‘clean’ the 694-820 Mhz space of existing wireless audio devices.

(9) What is the anticipated costs of these plans.
(10) To what extent would a failure to ‘clean’ the 694-820 Mhz space of existing wireless audio device use affect expected returns from the anticipated auction of spectrum arising from the Digital Dividend.

(11) How many devices and users are expected to be affected in the 694-820 Mhz space and what is the user profile of these devices.

(12) What percentage of these devices are used by not-for-profit organizations, such as schools and community groups.

(13) What percentage of these devices are used by small businesses and the self-employed, such as small shops, aerobics instructors and musicians.

(14) What is the value of these devices on average and in total.

(15) Are devices still being sold which utilise this spectrum.

(16) What compensation package is envisaged for each category of users.

(17) How and when will the compensation package be delivered.

(18) How many devices and users are expected to be affected in the 520-694 Mhz space and what is the user profile of these devices.

(19) What is the typical frequency agility of the devices currently operating within this spectrum range.

(20) What percentage of these devices are used by not-for-profit organizations, such as schools and community groups.

(21) What percentage of these devices are used by small business and the self-employed, such as small shops, aerobics instructors and musicians.

(22) What is the value of these devices on average and in total.

(23) What compensation package is envisaged for each category of users.

(24) How and when will the compensation package be delivered.

**Senator Conroy:** The answer to the honourable senator’s question is as follows:

I recognise that wireless audio devices provide a significant service and that there will be ongoing demand for spectrum for these devices.

The reconfiguration of the digital dividend (700 MHz) band has been taking place now for some time, and will continue for a number of years to come. As part of this reconfiguration, the Australian Communications and Media Authority (ACMA) is working with the wireless audio device community, including the Australian Wireless Audio Group (AWAG), to make suitable provision for the operation of wireless audio equipment in the future.

**Relocating wireless audio device users and timing**

Questions (3), (5), (6), (7), (8), (9) and (10) are about the process and timing for migrating users of wireless audio devices out of the digital dividend band.

While some users of wireless audio devices will have to relocate out of the digital dividend spectrum, it is likely that others will be able to continue to operate in this spectrum after it has been reconfigured. This is most likely to be within the guard bands and mid-band gap i.e. those parts of the digital dividend band that will be set aside for the purposes of mitigating interference. Further technical and engineering work is being undertaken before a final decision can be made on this issue.

It is expected that users of wireless audio devices will be able to continue using the spaces between digital broadcasting services in the broadcasting spectrum below the digital dividend band (that is, below 694 MHz) going forward. The exact frequencies below 694 MHz in which wireless audio devices will be permitted to operate will able to be determined once planning for the reorganisation (restack) of
digital broadcasting services, which is necessary to clear the digital dividend spectrum of broadcasting services, is completed nation-wide.

I appreciate the importance of certainty to the wireless audio device community. Once the outcomes of this technical and planning work are known, the ACMA will commence the process of amending the Radiocommunications Class Licence (Low Interference Potential Devices) 2000 (the LIPD class licence) to put the frequency changes into effect.

It is standard practice for the ACMA to communicate upcoming changes to licensing arrangements well in advance of the changes coming into effect, and to provide information to users, vendors and industry bodies to enable them to educate their customers and members about the changes. The ACMA is working to provide the wireless audio device community with sufficient time and information to make the necessary adjustments.

Users of wireless audio devices will have until 31 December 2014 to vacate the spectrum.

Any unauthorised use of wireless audio devices, in contravention of the LIPD class licence, would be open to compliance action by the ACMA.

**Impact of migration on the wireless audio device user base**

Questions (1), (2), (4), (11), (12), (13), (14), (15), (18), (19), (20), (21) and (22) seek factual information about the wireless audio device user base in Australia, the number of users likely to be impacted by the migration out of the digital dividend band, the user profile of those affected and the costs of migration.

In its submission to the January 2010 Digital Dividend Green Paper, AWAG provided an estimate of the number of wireless audio devices currently using the broadcasting spectrum. It estimated that there were 130,000 devices in operation, with 80 per cent of these thought to be in the digital dividend spectrum range. A consultant’s report attached to the AWAG submission estimated the costs to industry of replacing equipment to be between $80 and $220 million.

However, the extent of the migration required is heavily dependent on individual user circumstances such as their geographic location, existing frequency use and the ability of existing equipment to be re-tuned. The impact on users cannot be properly calculated until the technical and planning work referred to above is completed. At this point in the process the ACMA should then be able to advise users of wireless audio equipment where in the spectrum they will be permitted to operate post-digital dividend. Users can then assess whether their existing equipment is able to operate in the new frequencies.

In the meantime, the ACMA is working to provide the wireless audio device community with sufficient time and information to factor the migration into their planning and equipment purchasing cycles in order to minimise the costs associated with the migration. According to industry, vendors have been moving equipment imports away from the digital dividend band since 2009.

**Compensation**

Questions (16), (17), (23) and (24) are about compensation for users to assist in meeting the cost of migration.

As noted above, the ACMA is working with the wireless audio device community to make suitable provision for the operation of wireless audio equipment in the future. Technical and planning work is currently underway to achieve this.

The issue of how migration will be managed will be considered in consultation with industry once the outcomes of this work are known.
Wireless audio devices operate in the spaces between broadcasting services in the spectrum used for television broadcasting which currently includes digital dividend spectrum. Clearing the digital dividend spectrum will require wireless audio device users to relocate either to specified frequencies within the digital dividend band or to frequencies below the digital dividend band (i.e. below 694 MHz).

Wireless audio devices operate under a class licence. Access to the spectrum is free for these users and they operate on a no interference/no protection basis. Class licences can be varied or revoked by the Australian Communications and Media Authority (ACMA) at any time in urgent circumstances or, in any other circumstance, after consulting with affected licensees.

The Digital Dividend Green Paper, released in January 2010, acknowledged the potential impact of realising the digital dividend on users of wireless audio devices, noting that operators of these devices may have to move frequencies and that there are likely to be costs associated with any move.

The Australian Wireless Audio Group (AWAG), which represents the users of wireless audio devices, estimates that there are over 130,000 wireless audio devices using broadcasting spectrum, with 80 per cent of these operating in the digital dividend spectrum range. According to AWAG users range from churches, schools, sports and community groups and aerobics instructors to high-profile professional users in the film, radio and television production, performing arts, sport and recreation and hospitality sectors. If their devices are not sufficiently agile to retune to the new frequencies, there will likely be costs to these users in the form of equipment replacement costs.

In its response to the digital dividend green paper, AWAG estimated the costs to industry of replacing equipment to be between $80 and $220 million.

**DISCUSSION OF ISSUES**

AWAG is seeking certainty on where in the spectrum users will be permitted to operate post-digital dividend, and the timing of any moves. It has also raised the prospect of the Government paying compensation to assist users meet the costs of replacing equipment associated with the move. It argues that the Government requires ‘clean’ spectrum (i.e. spectrum free of wireless audio device users) to maximise revenues from the sale of the spectrum. The Department and the ACMA have been working with AWAG on these issues.

**Spectrum available for relocation**

Users of wireless audio devices will be able to continue using the spectrum between digital broadcasting services below the digital dividend band (i.e. below 694 MHz). However, the exact location of the available frequencies will not be known until planning for the restack is completed. It is at this point in the restack process that channels will have been assigned to each digital broadcasting service and it will therefore become apparent which channels will be available for use by wireless audio devices. The current internal timetable for restacking has planning completed nation-wide by the end of 2012. However, there is still some potential for movement and this timing has not been made public.

While some users of wireless audio devices will have to relocate out of the digital dividend spectrum, it is likely that others will be able to continue to operate in this spectrum after it has been reconfigured. This is most likely to be within the guard bands and mid-band gap i.e. those parts of the digital dividend band that will not be used for mobile wireless communications due to the need to manage interference. Once the ACMA completes its work on the technical framework for the digital dividend spectrum licences it will be able to confirm the feasibility of this proposal. This work is due to be completed by the end of 2011.
### Timing of the relocation

Users of wireless audio devices will be required to vacate the digital dividend spectrum by 31 December 2014. To achieve this, the ACMA will need to amend the relevant class licence to change the range of frequencies in which these users will be permitted to operate going forward.

The ACMA’s standard practice is to communicate upcoming changes to spectrum licensing arrangements well in advance of the changes coming into effect, and to provide information to users, vendors and industry bodies to enable them to educate their customers and members about the changes. According to AWAG, vendors have been moving equipment imports away from the digital dividend band since 2009.

As indicated above, definitive information on the availability of frequencies below 694 MHz for wireless audio equipment use will not be available until the end of 2012. From this time, users would have two years to transition out of the spectrum. AWAG has previously indicated that users would need two years to transition.

The Department met with AWAG representatives in March 2011. At this meeting AWAG agreed to develop a work plan and communications strategy for the transition of wireless audio device users out of the digital dividend spectrum. AWAG will be meeting with the ACMA to discuss this work plan on 16 August 2011.

### Potential impact of continued wireless audio device presence

It is possible that some users of wireless audio devices could, in contravention of their class licence, continue to operate equipment within the digital dividend band despite changes to the class licence. Any unauthorised use of wireless audio devices would be open to compliance action by the ACMA.

Preliminary studies performed by the ACMA suggest that unauthorised use of wireless audio devices in the digital dividend spectrum has the potential to cause interference to both mobile broadband services and wireless audio systems. Depending on the specific situation, it is possible that simultaneous interference could occur, or that only one of the systems would experience interference. It can be expected that, where wireless audio equipment experiences interference of this nature, users would be further encouraged to vacate the band. The potential for some limited unauthorised use is unlikely to impact auction revenues.

### RECOMMENDATION

Whether users will have to move is heavily dependent on individual user circumstances such as their geographic location, existing frequency use and the ability of existing equipment to be re-tuned.

AWAG has undertaken substantial work on these issues, including conducting an economic study of use of wireless audiovisual devices in Australia and case studies of how wireless audio equipment is used by Australian community organisations and business.

However, the number of users that will need to change frequencies and replace equipment, and the costs involved, can only be calculated once it is known where in the spectrum they will be operating post-digital dividend. Users can then assess whether their existing equipment is able to operate in the new frequencies. As indicated above, this is unlikely before the end of 2012.

In order to respond to Senator Ludlam’s questions we have grouped them into key issues and provided a high-level response on each. If you agree to this approach, we recommend tabling the response as set out in the attached.

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**Special Minister of State: Staffing**

(Question No. 846)

Senator Abetz asked the Minister representing the Special Minister of State, upon notice, on 25 July 2011:
(1) Has the Caucus Communications Team or anyone in the Caucus Communications Team offered any direction or advice to Ministers on how to structure their media staff:
   (a) if so, who offered direction or advice and to which Ministers; and
   (b) what advice was given.

(2) Is the Caucus Committee Team or anyone in the Caucus Committee Team aware of any direction or advice to Ministers on how to structure their media staff:
   (a) if so, who offered direction or advice and to which Ministers; and
   (b) what advice was given.

(3) Can job descriptions be provided for all staff in the Caucus Committee Team.

Senator Wong: The Special Minister of State has provided the following answer to the honourable senator's question:

(1) (a) and (b) The structure of staff within an office is a matter for individual Members, Senators and their Chiefs of Staff.

(2) (a) and (b) Individual staff responsibilities are a matter for the employing Member or Senator, the Chief of Staff and the relevant staff member.

(3) The allocation of ministerial staff positions is based on the requirements of portfolios. The assignment of particular duties to individual staff is a matter for ministers and their Chiefs of Staff.

Illegal Imports
(Question No. 893)

Senator Rhiannon asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 July 2011:

(1) In regard to the illegal importation of dog and cat fur products, over the past 5 years how many reported incidents have there been and:
   (a) what action has been taken to investigate these incidents;
   (b) have there been any prosecutions; and
   (c) how many products have been removed from sale during this period.

(2) What action has the department taken to enforce the ban on the importation of cat and dog fur pelts and products since it was introduced in 2004.

(3) What is the annual budget allocated to monitor and investigate dog and cat fur products entering the Australian market.

(4) What are the staff resources allocated to working on the illegal importation of cat and dog fur.

(5) How has the department responded to the report of investigations by the Humane Society International, which was provided to Australian Customs, which revealed that dog fur is being imported into Australia?

Senator Ludwig: The Minister for Home Affairs has provided the following answer to the honourable senator's question:

(1) There have been 18 public referrals to Customs and Border Protection, relating to 16 separate instances, alleging that prohibited cat or dog fur products have been imported. In addition, ten other consignments were detained by Customs and Border Protection at the time of importation for assessment as a result of its cargo risk assessment program.

   (a) All referrals have been followed up and investigated. Where appropriate, importers have been required to submit detailed documents or garments for independent testing and analysis.
Four cases resulted in the goods being seized and destroyed, either because the importer could not provide sufficient information to identify the goods, or the goods were abandoned.

(b) No. Prosecution of these four cases was not initiated because, in the circumstances, this action was not considered to be in accordance with the Prosecution Policy of the Commonwealth.

(c) Nil. Where appropriate, goods believed to have contained cat or dog fur have been seized and destroyed at the border while under Customs control.

(2) Customs and Border Protection assesses all imported cargo as part of its broader risk assessment and border enforcement program.

Where Customs and Border Protection is concerned about the importation of fur products, including cases of suspected false labelling, importers are required to provide suitable documentation to identify the type of fur being imported. In circumstances where the fur cannot be identified and Customs and Border Protection has a reasonable suspicion that the goods are cat or dog fur products, a sample will be provided to an appropriate expert to determine the type of fur being imported. Where allegations are confirmed and a breach has occurred, Customs and Border Protection will seize the goods.

(3) Customs and Border Protection represents the interests of over 40 government agencies at the border, dealing with over 70 separate types of regulated goods. These goods range from counterfeit luxury goods, to illicit drugs, child pornography and weapons of mass destruction.

Funding is allocated by government to treat all of those risks, and is applied using an intelligence-led, risk-based approach. The control on dog and cat fur is administered within the overall allocation of funding for this wide range of prohibited, restricted and regulated goods, and is managed within our risk assessment and border enforcement program.

(4) Staff resources are not allocated to specific risks for regulated goods; they are applied according to Customs and Border Protection's risk assessment processes.

Depending on the level of risk identified and the intelligence available, tasking can be allocated to any officer undertaking relevant duties.

(5) The Humane Society International (HSI) has made multiple allegations of dog fur importation to the Australian Customs and Border Protection Service in 2011. These allegations have been investigated and HSI has been advised by Customs and Border Protection of the outcomes of these matters.

The allegations made by HSI were based on two tests which indicated the potential presence of dog fur in certain garments. However, one of those tests indicated the fur may be from a species of animal that is not prohibited.

Customs and Border Protection investigated the allegations, and engaged directly with the two importers. Each importer withdrew the goods from sale, pending independent testing. These tests, from credible independent scientific authorities, did not support the allegations made by HSI.

Customs and Border Protection will continue to monitor and assess potential breaches of the dog and cat fur prohibition, as part of its work in enforcing border control over a range of prohibited, restricted and regulated goods, within its risk based border enforcement framework.

Immigration Detention Centres

(Question No. 894)

Senator Abetz asked the Minister representing the Minister for Immigration and Citizenship, upon notice, on 25 July 2011:

In regards to Pontville Detention Centre:

(1) On what basis is the new accommodation at the centre being purchased.
(2) Is the purchase a straight cash settlement or is an asset purchase arrangement or a lease arrangement being entered into.

(3) Can details be provided of the particular type of arrangement that has been entered into, also including the cost of the arrangement and the term of any such arrangement.

**Senator Carr:** The Minister for Immigration and Citizenship has provided the following answer to the honourable senator's question:

(1) The new accommodation required at the Pontville Immigration Detention Centre (PVIDC) will be through a combination of rental agreements and procurement.

(2) Buildings that are procured will be placed on the Department's asset register. Rental agreements are in place or are currently being finalised for the hire of a number of other structures.

(3) The Department has entered into a rental agreement with a Hobart based prefabricated building company for the hire of transportable buildings. The term for the rental agreement is 6 months with an option to extend, if required, at the Department's sole discretion.

As at 21 July 2011, the cost for the rental of the transportable buildings is $1,118,525.00 GST inclusive per month. This cost will increase when rental agreements are finalised for the hire of a number of other structures.

**Tertiary Education, Skills, Jobs and Workplace Relations and School Education, Early Childhood and Youth: Funding**

(Question Nos 902 and 903)

**Senator Abetz** asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Minister representing the Minister for School Education, Early Childhood and Youth, upon notice, on 1 August 2011:

In regard to the department and all agencies within the Minister's portfolio, can a breakdown, by program, of spending be provided for the 2010/11 financial year in relation to the total portfolio expenditure on:

(a) advertising;
(b) travel;
(c) hospitality and entertainment;
(d) information and communications technology;
(e) consultancies;
(f) education or training for staff;
(g) external accounting;
(h) external auditing;
(i) external legal; and
(j) memberships or grants paid to affiliate organisations.

**Senator Chris Evans:** The answer to the honourable senator's question is as follows:

A breakdown of expenditure, by individual program, is unable to be provided. Resourcing for these activities are not allocated, or recorded in the financial management systems, on an individual program basis.
Council of Australian Governments: Counter-Terrorism
(Question No. 911)

Senator Ludlam asked the Minister representing the Prime Minister, upon notice, on 16 August 2011:

In regard to the Council of Australian Governments' review of counter-terrorism legislation agreed to on 10 February 2006 and supposedly to commence in late 2010:

(1) What are the reasons for the delayed commencement of the review.
(2) When will the review finally commence.
(3) Who will chair the review committee.
(4) Who will be the remaining members of the committee.
(5) When will the submission and hearing process become public.
(6) Will the broad scope of the review, outlined in the 2006 communiqué, be refined to more precise terms of reference.
(7) How will the office of the Independent National Security Legislation Monitor be engaged in relation to the review.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

(1) The Commonwealth continues to work towards the commencement of the Review and will finalise the arrangements through the Council of Australian Governments (COAG) as soon as possible. COAG needs to agree to the funding, terms of reference and membership of the Review Committee.


(2) The Review will commence as soon as the arrangements have been agreed through COAG.

(3) The chair of the Review Committee has been nominated by the National Counter-Terrorism Committee Legal Issues Sub-Committee and needs to be confirmed by COAG before being announced.

(4) The remaining members of the Review Committee have been nominated by the National Counter-Terrorism Committee Legal Issues Sub-Committee and will need to be confirmed by COAG before being announced.

(5) The Review Committee will determine the submission and hearing process after it has been formally appointed.

(6) Yes. The terms of reference for the Review will indicate the specific pieces of Commonwealth and State and Territory legislation to be reviewed.

(7) The Review Committee will take account of the appointment of the Independent National Security Legislation Monitor (the Monitor) and the role of the Monitor in reviewing Commonwealth national security and counter terrorism legislation. The Government expects the Review Committee will engage with the Monitor in a productive way, such as through sharing relevant documents on Commonwealth legislation to avoid unnecessary duplication.

Australian Office of Financial Management
(Question No. 984)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:
(1) What was the total expenditure of the Australian Office of Financial Management for the 2010-11 financial year in relation to:
   (a) advertising;
   (b) air travel within Australia in business class;
   (c) air travel within Australia in economy class;
   (d) air travel within Australia by charter flight;
   (e) air travel outside Australia in first class;
   (f) air travel outside Australia in business class;
   (g) air travel outside Australia in economy class;
   (h) air travel outside Australia by charter flight;
   (i) hospitality and entertainment;
   (j) information and communications technology (ICT) costs generally;
   (k) ICT costs to external providers;
   (l) external consultants generally;
   (m) external accounting services;
   (n) external auditing services;
   (o) external legal services; and
   (p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

<table>
<thead>
<tr>
<th>Item</th>
<th>Expenditure in 2010-11</th>
<th>Budget in 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Advertising</td>
<td>$42,819</td>
</tr>
<tr>
<td>b</td>
<td>air travel within Australia in business class</td>
<td>$14,253</td>
</tr>
<tr>
<td>c</td>
<td>air travel within Australia in economy class</td>
<td>$39,165</td>
</tr>
<tr>
<td>d</td>
<td>air travel within Australia by charter flight</td>
<td>nil</td>
</tr>
<tr>
<td>e</td>
<td>air travel outside Australia in first class</td>
<td>nil</td>
</tr>
<tr>
<td>f</td>
<td>air travel outside Australia in business class</td>
<td>$153,352</td>
</tr>
<tr>
<td>g</td>
<td>air travel outside Australia in economy class</td>
<td>nil</td>
</tr>
<tr>
<td>h</td>
<td>air travel outside Australia by charter flight</td>
<td>nil</td>
</tr>
<tr>
<td>i</td>
<td>hospitality and entertainment</td>
<td>$2,901</td>
</tr>
<tr>
<td>j</td>
<td>information and communication technology (ICT) costs</td>
<td>$346,313</td>
</tr>
<tr>
<td>k</td>
<td>ICT costs to external providers</td>
<td>$185,507</td>
</tr>
<tr>
<td>l</td>
<td>external consultants</td>
<td>$263,164</td>
</tr>
<tr>
<td>m</td>
<td>external accounting services</td>
<td>nil</td>
</tr>
<tr>
<td>n</td>
<td>external auditing services</td>
<td>$121,245</td>
</tr>
<tr>
<td>o</td>
<td>external legal services</td>
<td>$224,537</td>
</tr>
<tr>
<td>p</td>
<td>memberships or grants paid to affiliate organisations</td>
<td>nil</td>
</tr>
</tbody>
</table>

Note:
1. inclusive of GST where not recoverable from the ATO
2. does not include fees and costs paid to recruitment agencies that may include advertising
(1) What was the total expenditure of the Australian Prudential Authority for the 2010-11 financial year in relation to:
(a) advertising;
(b) air travel within Australia in business class;
(c) air travel within Australia in economy class;
(d) air travel within Australia by charter flight;
(e) air travel outside Australia in first class;
(f) air travel outside Australia in business class;
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.
(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) and (2) Total actual expenditure for the financial year 2010-11 and budgeted expenditure is detailed in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>2010/11 Actual ($)</th>
<th>2011/12 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) advertising</td>
<td>217,744</td>
<td>257,000</td>
</tr>
<tr>
<td>(b) air travel within Australia in business class;</td>
<td>350,577</td>
<td></td>
</tr>
<tr>
<td>(c) air travel within Australia in economy class;</td>
<td>291,777</td>
<td></td>
</tr>
<tr>
<td>(d) air travel within Australia by charter flight;</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>(e) air travel outside Australia in first class;</td>
<td>220,609</td>
<td></td>
</tr>
<tr>
<td>(f) air travel outside Australia in business class;</td>
<td>1,171,508</td>
<td></td>
</tr>
<tr>
<td>(g) air travel outside Australia in economy class;</td>
<td>50,987</td>
<td></td>
</tr>
<tr>
<td>(h) air travel outside Australia by charter flight;</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>(i) hospitality and entertainment;</td>
<td>12,293</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>2010/11 Actual ($)</td>
<td>2011/12 Budget ($)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>(b) to (i)</td>
<td>2,085,458</td>
<td>2,606,631</td>
</tr>
<tr>
<td>(j) information and communications technology (ICT) costs generally¹;</td>
<td>12,166,679</td>
<td>11,784,517</td>
</tr>
<tr>
<td>(k) ICT costs to external providers;</td>
<td>5,232,107</td>
<td>4,934,866</td>
</tr>
<tr>
<td>(l) external consultants generally;</td>
<td>2,081,407</td>
<td>2,441,599</td>
</tr>
<tr>
<td>(m) external accounting services;</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(n) external auditing services ²²</td>
<td>125,000</td>
<td>150,000</td>
</tr>
<tr>
<td>(o) external legal services; and</td>
<td>2,734,497</td>
<td>1,894,998</td>
</tr>
<tr>
<td>(p) memberships or grants paid to affiliate organisations.</td>
<td>560,982</td>
<td>406,474</td>
</tr>
</tbody>
</table>

¹ Includes all ICT managed costs throughout APRA.
²² External Auditing Services are provided free of charge by the Australian National Audit Office.

**Commonwealth Grants Commission**

(Question No. 988)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the Commonwealth Grants Commission for the 2010-11 financial year in relation to:
   a) advertising;
   b) air travel within Australia in business class;
   c) air travel within Australia in economy class;
   d) air travel within Australia by charter flight;
   e) air travel outside Australia in first class;
   f) air travel outside Australia in business class;
   g) air travel outside Australia in economy class;
   h) air travel outside Australia by charter flight;
   i) hospitality and entertainment;
   j) information and communications technology (ICT) costs generally;
   k) ICT costs to external providers;
   l) external consultants generally;
   m) external accounting services;
   n) external auditing services;
   o) external legal services; and
   p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

The total expenditure is listed below in $’000s
Corporations and Markets Advisory Committee

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the Corporations and Markets Advisory Committee (CAMAC) for the 2010-11 financial year in relation to:

(a) advertising;
(b) air travel within Australia in business class;
(c) air travel within Australia in economy class;
(d) air travel within Australia by charter flight;
(e) air travel outside Australia in first class;
(f) air travel outside Australia in business class;
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.

In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

(a) advertising; 2
(b) air travel within Australia in business class; 75
(c) air travel within Australia in economy class; 10
(d) air travel within Australia by charter flight; 0
(e) air travel outside Australia in first class; 0
(f) air travel outside Australia in business class; 0
(g) air travel outside Australia in economy class; 0
(h) air travel outside Australia by charter flight; 0
(i) hospitality and entertainment; 0
(j) information and communications technology (ICT) costs generally; 177
(k) ICT costs to external providers; 24
(l) external consultants generally; 10
(m) external accounting services; 0
(n) external auditing services; 0
(o) external legal services; and 0
(p) memberships or grants paid to affiliate organisations. 0
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

1. (a) Nil
   (b) $41,446.78
   (c) $8,657.52
   (d) Nil
   (e) Nil
   (f) Nil
   (g) Nil
   (h) Nil
   (i) $3,861.28
   (j) $2,651.17
   (k) Nil
   (l) Nil
   (m) Nil
   (n) Nil
   (o) Nil
   (p) Nil

2. (a) Nil
   (b) & (c) $97,000
   (d) Nil
   (e) Nil
   (f) Nil
   (g) Nil
   (h) Nil
   (i) $5,000
   (j) $4,200
   (k) Nil
Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the National Competition Council for the 2010-11 financial year in relation to:
   (a) advertising;
   (b) air travel within Australia in business class;
   (c) air travel within Australia in economy class;
   (d) air travel within Australia by charter flight;
   (e) air travel outside Australia in first class;
   (f) air travel outside Australia in business class;
   (g) air travel outside Australia in economy class;
   (h) air travel outside Australia by charter flight;
   (i) hospitality and entertainment;
   (j) information and communications technology (ICT) costs generally;
   (k) ICT costs to external providers;
   (l) external consultants generally;
   (m) external accounting services;
   (n) external auditing services;
   (o) external legal services; and
   (p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Wong: The Treasurer has provided the following answer to the honourable senator’s question:

(1) and (2) The total expenditure incurred by the National Competition Council for the Financial Year 2010-11 for the items listed above and the corresponding budgeted total expenditure for the Financial Year 2011-12 are given in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Total expenditure 2010-11 (excluding GST)</th>
<th>Budgeted expenditure 2011-12 (excluding GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) advertising</td>
<td>$3,953</td>
<td>$5,500</td>
</tr>
<tr>
<td>(b) air travel</td>
<td></td>
<td>$62,000 (total for business class and economy class within Australia)</td>
</tr>
<tr>
<td>within Australia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in business class</td>
<td>$44,448</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Total expenditure 2010-11 (excluding GST)</td>
<td>Budgeted expenditure 2011-12 (excluding GST)</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>(c) air travel within Australia in economy class</td>
<td>$1,750</td>
<td>see (b)</td>
</tr>
<tr>
<td>(d) air travel within Australia by charter flight</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(e) air travel outside Australia in first class</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(f) air travel outside Australia in business class</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(g) air travel outside Australia in economy class</td>
<td>$421</td>
<td>$0</td>
</tr>
<tr>
<td>(h) air travel outside Australia by charter flight</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(i) hospitality and entertainment</td>
<td>$545</td>
<td>$500</td>
</tr>
<tr>
<td>(j) information and communications technology (ICT) costs generally</td>
<td>Hardware and software $828</td>
<td>Hardware and software $1,000</td>
</tr>
<tr>
<td></td>
<td>Licenses and fees $3,253</td>
<td>Licenses and fees $5,000</td>
</tr>
<tr>
<td></td>
<td>Management/support $41,414</td>
<td>Management/support $45,000</td>
</tr>
<tr>
<td></td>
<td>Internet $10,808</td>
<td>Internet $14,000</td>
</tr>
<tr>
<td></td>
<td>Telephone $17,287</td>
<td>Telephone $20,000</td>
</tr>
<tr>
<td>(k) ICT costs to external providers</td>
<td>As for (j)</td>
<td>As for (j)</td>
</tr>
<tr>
<td>(l) external consultants generally</td>
<td>$5,168</td>
<td>$364,000</td>
</tr>
<tr>
<td>(m) external accounting services</td>
<td>Payment to ACCC (for provision of all corporate services incl accounting) $194,364</td>
<td>Payment to ACCC (for provision of all corporate services incl accounting) $205,000</td>
</tr>
<tr>
<td>(n) external auditing services</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>(ANAO imputed fee $24,000)</td>
<td></td>
</tr>
<tr>
<td>(o) external legal services</td>
<td>$312,017</td>
<td>$470,000</td>
</tr>
<tr>
<td>(p) memberships or grants paid to affiliate organisations</td>
<td>$3,063</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

**Office of the Auditing and Assurance Standards Board**

**Question No. 991**

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the Office of the Auditing and Assurance Standards Board for the 2010-11 financial year in relation to:
   (a) advertising;
   (b) air travel within Australia in business class;
   (c) air travel within Australia in economy class;
   (d) air travel within Australia by charter flight;
   (e) air travel outside Australia in first class;
   (f) air travel outside Australia in business class;
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) (a) Nil.
(b) Total 15,974. Board members and senior staff for meetings, presentations and public forums.
(c) Total 11,377. Board members and staff for meetings, presentations and public forums.
(d) Nil.
(e) Nil.
(f) Total 28,510.
Trans-Tasman Accounting and Auditing Standards Advisory Group 2,163.
International Audit & Assurance Standards Board 7,095.
National Standard-Setters meetings 19,252.
(g) Nil.
(h) Nil.
(i) 1,384.
(j) 42,933.
(k) 42,933.
(l) 68,411.
(m) 1,060.
(n) 23,500. ANAO.
(o) 20,662.
(p) Nil.
(2) (a) Nil.
(b) Total 29,960. Board members and senior staff for meetings, presentations and public forums.
(c) Total 19,681. Board members for meetings, presentations and public forums.
(d) Nil.
(e) Nil.
(f) Total 25,580.
Trans-Tasman Accounting & Auditing Standards Advisory Group 3,600.
International Audit & Assurance Standards Board 4,800.
National Standard-Setters meetings 18,400.
(g) Nil.
(h) Nil.
(i) 2,496.
(j) 21,438.
(k) 20,835.
(l) 34,000.
(m) 1,380.
(n) 24,440. ANAO.
o) 12,000.
p) Nil.

Office of the Australian Accounting Standards Board
(Question No. 992)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the Office of the Australian Accounting Standards Board for the 2010-11 financial year in relation to:

(a) advertising;
(b) air travel within Australia in business class;
(c) air travel within Australia in economy class;
(d) air travel within Australia by charter flight;
(e) air travel outside Australia in first class;
(f) air travel outside Australia in business class;
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) (a) Nil
(b) Total 42,251
Board members for meetings, presentations and public forums
(c) Total 16,323
Board members and staff for meetings, presentations and public forums
(d) Nil
(e) Nil
(f) Total 74,575
International Public Sector Accounting Standards Board 16,773
National Standard-Setters meetings 11,151
World Standard-Setters meetings 11,151
World Congress of Accountants 7,016
International Financial Reporting Standards, regional policy forum 6,802
Organisation for economic co-operation & development 3,679
NZ Financial reporting Standards Board 2,354
Asian Oceanian Standard-setters group 15,649
(g) Total 1,013
NZ Financial reporting Standards Board
(h) Nil
(i) 8,293
(j) 57,307
(k) 56,311
(l) 52,249
(m) 1,060
(n) 34,000
ANAO
(o) Nil
(p) Nil
(2) (a) Nil
(b) Total 81,600
Board members for meetings, presentations and public forums 75,200
NZ Observer 6,400
(c) Total 23,200
Board members for meetings, presentations and public forums
(d) Nil
(e) Nil
(f) Total 120,900
International Public Sector Accounting Standards Board 35,200,
National Standard-Setters meetings 15,000
World Standard-Setters meetings 15,000
International Accounting standards Board Roundtable 10,400
International Financial Reporting Standards, regional policy forum 20,400
NZ Financial reporting Standards Board 6,400
Asian Oceanian Standard-setters group 18,500
(g) Nil
(h) Nil
(i) 9,743
(j) 49,969
(k) 48,636
(l) 40,000
(m) 1,102
(n) 35,400
ANAO
(o) Nil
(p) Nil

Royal Australian Mint
(Question No. 994)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What was the total expenditure of the Royal Australian Mint for the 2010-11 financial year in relation to:

(a) advertising;
(b) air travel within Australia in business class;
(c) air travel within Australia in economy class;
(d) air travel within Australia by charter flight;
(e) air travel outside Australia in first class;
(f) air travel outside Australia in business class;
(g) air travel outside Australia in economy class;
(h) air travel outside Australia by charter flight;
(i) hospitality and entertainment;
(j) information and communications technology (ICT) costs generally;
(k) ICT costs to external providers;
(l) external consultants generally;
(m) external accounting services;
(n) external auditing services;
(o) external legal services; and
(p) memberships or grants paid to affiliate organisations.

(2) In relation to each of the items referred to in question 1, what is the budgeted total expenditure for the 2011-12 financial year.
Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) Detailed below is the total expenditure of the Royal Australian Mint for the 2010-11 financial year in relation to:

(a) advertising - $301,462
(b) – (c) air travel within Australia in business class and economy class - $55,320
(d) air travel within Australia by charter flight - Nil
(e) – (g) air travel outside Australia in first class, business class and economy class - $213,131
(h) air travel outside Australia by charter flight - Nil
(i) hospitality and entertainment - $9,272
(j) information and communications technology (ICT) costs generally - $2,665,222 (including salary-related expenses, office expenses, depreciation costs and ICT project related costs)
(k) ICT costs to external providers - $1,599,512 (including the ICT project related costs)
(l) external consultants generally - $1,271,718
(m) external accounting services - $12,134
(n) external auditing services - $273,760
(o) external legal services - $68,769
(p) memberships or grants paid to affiliate organisations – Nil

(2) The Royal Australian Mint is a self-funded FMA prescribed agency which generates revenues for the Commonwealth through its operations. All expenses incurred by the Mint are fully covered by the revenues for the year. The Mint is not appropriated through the Commonwealth Budget process; and, all expenditures are only incurred relative to revenue being generated.

Australian Bureau of Statistics: Accommodation

(Question No. 997)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Australian Bureau of Statistics:

(1) What is the actual location, including the full street address, of each premises occupied by the Australian Bureau of Statistics.

(2) In relation to each of the premises referred to in 1, are these premises:

(a) owned by the Commonwealth; or
(b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Bureau of Statistics at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:

(a) what was the total purchase price of these premises and what was the purchase date;
(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
   (a) the date the lease was entered into;
   (b) the current expiry date of the lease;
   (c) any further options available under the lease;
   (d) the rental amount payable per square metre on an annual basis; and
   (e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

(1) The actual locations of each premises occupied by the Australian Bureau of Statistics (ABS) are as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Office (CO)</td>
<td>ABS House 45 Benjamin Way BELCONNEN ACT 2617</td>
</tr>
<tr>
<td>NSW</td>
<td>Level 5 St Andrew’s House Sydney Square SYDNEY NSW 2001</td>
</tr>
<tr>
<td>NT</td>
<td>CIVITAS Building 22 Harry Chan Avenue DARWIN NT 0800</td>
</tr>
<tr>
<td>QLD</td>
<td>639 Wickham Street FORTITUDE VALLEY QLD 4006</td>
</tr>
<tr>
<td>SA</td>
<td>Level 9 ANZ House 11 Waymouth Street ADELAIDE SA 5001</td>
</tr>
<tr>
<td>TAS</td>
<td>Level 3 200 Collins Street HOBART TAS 7001</td>
</tr>
<tr>
<td>VIC</td>
<td>CGU Tower 485 La Trobe Street MELBOURNE VIC 3001</td>
</tr>
<tr>
<td>WA</td>
<td>Level 14 Exchange Plaza 2 The Esplanade PERTH WA 6000</td>
</tr>
<tr>
<td>ACT</td>
<td>Manpower Building Level 5 33-35 Ainslie Avenue CANBERRA ACT 2600</td>
</tr>
<tr>
<td>Census Data Processing Centre (DPC) *</td>
<td>250 Spencer Street MELBOURNE VIC 3000</td>
</tr>
<tr>
<td>Alice Springs *</td>
<td>33 North Stuart Highway ALICE SPRINGS NT 0870</td>
</tr>
</tbody>
</table>

* Short term accommodation to meet Census operations.

(2) Each of the premises referred to in question 1 is rented.

(3) The actual amount of space in square metres occupied by, or allocated to, the Australian Bureau of Statistics at each premises is detailed in the below table:

<table>
<thead>
<tr>
<th>Office</th>
<th>NLA (m2) – Office</th>
<th>NLA (m2) – Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Office (CO)</td>
<td>31,812.70</td>
<td>2,692.40</td>
</tr>
<tr>
<td>NSW</td>
<td>6,912</td>
<td>80</td>
</tr>
<tr>
<td>NT</td>
<td>1,429</td>
<td>105.60</td>
</tr>
<tr>
<td>QLD</td>
<td>4,400</td>
<td>83</td>
</tr>
<tr>
<td>SA</td>
<td>4,580.8</td>
<td>N/A</td>
</tr>
<tr>
<td>TAS</td>
<td>3,222.2</td>
<td>N/A</td>
</tr>
<tr>
<td>VIC</td>
<td>5,598.8</td>
<td>100</td>
</tr>
<tr>
<td>WA</td>
<td>4,840</td>
<td>N/A</td>
</tr>
<tr>
<td>ACT</td>
<td>453</td>
<td>N/A</td>
</tr>
<tr>
<td>Census Data Processing Centre (DPC) *</td>
<td>31,147.2</td>
<td>N/A</td>
</tr>
<tr>
<td>Alice Springs *</td>
<td>115</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Short term accommodation to meet Census operations.
(4) The Australian Bureau of Statistics does not have any allocation of space arrangements with other Commonwealth Government Entities. The Australian Bureau of Statistics does occupy space in some multi-tenancy commercially leased sites that do have other Commonwealth Entities as tenants although the ABS is not privileged to their commercial leasing information.

(5) The Australian Bureau of Statistics does not occupy space owned by the Commonwealth of Australia.

(6) For each of the premises that are rented, the current lease terms are included in the below table:

<table>
<thead>
<tr>
<th>Office</th>
<th>Lease Entered Into</th>
<th>Current Lease Expiry Date</th>
<th>Further Options Available</th>
<th>Rent Office (per square metre)</th>
<th>Storage (per square metre)</th>
<th>Total Rent (pa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Office (CO)</td>
<td>1/03/2002</td>
<td>12/03/2017</td>
<td>2 x 5 years</td>
<td>$428.79</td>
<td>$111.43</td>
<td>$13,829,885.36</td>
</tr>
<tr>
<td>NSW</td>
<td>01/11/2004</td>
<td>31/10/2017</td>
<td>1 x 3 years</td>
<td>$429.61</td>
<td>$298.51</td>
<td>$2,993,345.60</td>
</tr>
<tr>
<td>NT</td>
<td>07/09/2009</td>
<td>06/09/2017</td>
<td>2 x 4 years</td>
<td>$351.90 (Level 2/3)</td>
<td>$82.80</td>
<td>$561,184.08</td>
</tr>
<tr>
<td>QLD</td>
<td>01/03/2005</td>
<td>31/08/2015</td>
<td>2 x 5 years</td>
<td>$390.38</td>
<td>$253.07</td>
<td>$1,738,676.81</td>
</tr>
<tr>
<td>SA</td>
<td>01/02/2007</td>
<td>31/01/2017</td>
<td>1 x 5 years</td>
<td>$459.01</td>
<td>N/A</td>
<td>$2,102,629.32</td>
</tr>
<tr>
<td>TAS</td>
<td>05/09/2007</td>
<td>04/09/2017</td>
<td>2 x 5 years</td>
<td>$371.61</td>
<td>N/A</td>
<td>$1,197,415.32</td>
</tr>
<tr>
<td>VIC</td>
<td>01/06/2006</td>
<td>31/05/2016</td>
<td>1 x 5 years</td>
<td>$364.95</td>
<td>$185.71</td>
<td>$2,061,850.84</td>
</tr>
<tr>
<td>WA</td>
<td>01/08/2004</td>
<td>31/07/2014</td>
<td>1 x 2 years</td>
<td>$371.73</td>
<td>N/A</td>
<td>$1,799,173.20</td>
</tr>
<tr>
<td>ACT</td>
<td>01/08/2007</td>
<td>31/07/2012</td>
<td>1 x 5 years</td>
<td>$367.17</td>
<td>N/A</td>
<td>$166,329.48</td>
</tr>
<tr>
<td>Census Data Processing Centre (DPC) *</td>
<td>01/07/2010</td>
<td>31/12/2012</td>
<td>N/A</td>
<td>$179.79</td>
<td>N/A</td>
<td>$5,600,000.00</td>
</tr>
</tbody>
</table>

* Short term accommodation to meet Census operations.

(7) The rental reviews for the ABS’s respective leases are as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Rental Review Date</th>
<th>Market Review Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Office (CO)</td>
<td>1 Mar 2012 - 3% Fixed</td>
<td>Feb 2017</td>
</tr>
<tr>
<td>NSW</td>
<td>1 Nov 2011 - Market</td>
<td>Following market testing, new lease in new premises commences 1 Nov 2011 (see below)</td>
</tr>
</tbody>
</table>

NT 6 Sept 2011 - 3.5% Fixed 6 Sept 2014
QLD 1 Mar 2012 - 4% Fixed 1 Sept 2015
SA 1 Feb 2012 - Market/cap 5% 1 Feb 2012
TAS 5 September 2011 – 3.5% Fixed No Market Review
VIC 1 June 2012 - Market Review 1 June 2012
WA 1 August 2012 - Fixed 3.5% 1 August 2014
ACT N/A - Lease expires 31 July 2012 and will not be renewed N/A
Census Data Processing Centre (DPC) * The Rent will not be reviewed or varied during the Term N/A
Alice Springs * N/A N/A

* Short term accommodation to meet Census operations.

Details of new NSW lease commencing 1 November 2011

<table>
<thead>
<tr>
<th>Office</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW (from 1 Nov 2011)</td>
<td>Levels 7-10 44 Market Street SYDNEY NSW 2001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office</th>
<th>NLA (m2) – Office</th>
<th>NLA (m2) – Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW (from 1 Nov 2011)</td>
<td>4,988</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Office Lease Entered Into Current Lease Expiry Date Further Options Available Rent Office (per square metre) Storage (per square metre) Total Rent (pa)
NSW (from 1 Nov 2011) 1/11/2011 31/10/2021 2 x 5 years $490.00 N/A $2,444,120.00

Australian Office of Financial Management: Accommodation
(Question No. 998)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Australian Office of Financial Management:

(1) What is the actual location, including the full street address, of each premises occupied by the Australian Office of Financial Management.

(2) In relation to each of the premises referred to in 1, are these premises:
   (a) owned by the Commonwealth; or
   (b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Office of Financial Management at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:
   (a) what was the total purchase price of these premises and what was the purchase date;
   (b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
   (c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
   (a) the date the lease was entered into;
   (b) the current expiry date of the lease;
   (c) any further options available under the lease;
   (d) the rental amount payable per square metre on an annual basis; and
   (e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) Treasury Building, Langton Crescent, Parkes ACT, 2600.
(2) Rented.
(3) 779.3 square metres.
(4) The AOFM subleases its premises from Treasury. See Treasury’s response.
(5) Not applicable.
(6) (a) 22 December 2000, (b) 21 December 2015, (c) No, (d) $370 (exclusive of GST), (e) $288,341 (exclusive of GST).
(7) 22 December 2012; market rates.

**Productivity Commission: Accommodation**
*(Question No. 999)*

**Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Productivity Commission:

(1) What is the actual location, including the full street address, of each premises occupied by the Productivity Commission.

(2) In relation to each of the premises referred to in 1, are these premises:

(a) owned by the Commonwealth; or

(b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Productivity Commission at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:

(a) what was the total purchase price of these premises and what was the purchase date;

(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and

(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:

(a) the date the lease was entered into;

(b) the current expiry date of the lease;

(c) any further options available under the lease;

(d) the rental amount payable per square metre on an annual basis; and

(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

<table>
<thead>
<tr>
<th>Melbourne Office</th>
<th>Canberra Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 12</td>
<td>Levels 2, 4 &amp; 5</td>
</tr>
<tr>
<td>530 Collins Street</td>
<td>15 Moore Street</td>
</tr>
<tr>
<td>Melbourne</td>
<td>Canberra</td>
</tr>
<tr>
<td>Rented</td>
<td>Rented</td>
</tr>
</tbody>
</table>

(3) What is the actual amount of space in square metres

2817 square metres   2743 square
occupied by, or allocated to, the Productivity
Commission at each of the premises.

(4) What is the actual amount of space in square metres
occupied by, or allocated to, the Commonwealth
Government at each of the premises.

(5) For each of the premises that are owned by the
Commonwealth:
(a) what was the total purchase price of these premises
and what was the purchase date;
(b) what amount has been allocated as building
depreciation from the date of purchase to the current
date; and
(c) what is the estimated current market value of these
premises and on what basis has this market value been
calculated or derived.

(6) For each of the premises that are rented, what are the
current lease terms including:
(a) the date the lease was entered into;
(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an
annual basis; and
(e) the total rental amount payable for the premises on
an annual basis.

(7) When is the next rental review due and on what basis
will any new rental be determined.

<table>
<thead>
<tr>
<th>Melbourne Office</th>
<th>Canberra Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>2817 square metres</td>
<td>3233 square metres</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1 June 2011</td>
<td>1 August 2007</td>
</tr>
<tr>
<td>31 May 2021</td>
<td>30 April 2017</td>
</tr>
<tr>
<td>$350 (excl GST)</td>
<td>$417 (excl GST)</td>
</tr>
<tr>
<td>$989,377 (excl GST)</td>
<td>$1,140,698 (excl GST)</td>
</tr>
<tr>
<td>1 June 2012 – fixed annual increase (4%)</td>
<td>1 August 2012 – fixed annual increase (3.75%)</td>
</tr>
</tbody>
</table>

Royal Australian Mint: Accommodation
(Question No. 1000)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18
August 2011:

With reference to the Royal Australian Mint:

(1) What is the actual location, including the full street address, of each premises occupied by the
Royal Australian Mint.

(2) In relation to each of the premises referred to in 1, are these premises:
(a) owned by the Commonwealth; or
(b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Royal
Australian Mint at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the
Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:
(a) what was the total purchase price of these premises and what was the purchase date;
(b) what amount has been allocated as building depreciation from the date of purchase to the current
date; and

QUESTIONS ON NOTICE
(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
(a) the date the lease was entered into;
(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

With reference to the Royal Australian Mint:

(1) The actual location, including the full street address, of each premises occupied by the Royal Australian Mint is land known as part of Block 1 Section 65 Deakin and street address being 66 Denison Street, Deakin, 2600.

(2) In relation to each of the premises referred to in 1, this premise is rented.

(3) The actual amount of space in square metres occupied by, or allocated to, the Royal Australian Mint at each of the premises is 15,227m² as of last survey dated 25 March 2011.

(4) The actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises is 15,227m² as of last survey dated 25 March 2011.

(5) For each of the premises that are owned by the Commonwealth:
(a) The total purchase price of these premises was 2,178,791 pounds and the purchase date was 1965.
   (The purpose built Mint process building and 60 Denison St (the old Administration building) were constructed in 1965 and have always been in Commonwealth ownership. The buildings were constructed on Commonwealth Land and the original construction cost was 2,178,791 pounds.)
(b) The amount that has been allocated as building depreciation from the date of purchase to the current date from available accounting records (March 2001 to July 2011) show that, from a whole of Australian Government perspective, depreciation of $3,074,182.92 has been charged.
(c) The estimated current market value of these premises and on what basis has this market value been calculated or derived is as at 30 June 2011, for both the Mint process building and 60 Denison St, including land, is $34 million.

The breakdown is as follows:
- Land - $8.5 million
- The Mint process building - $16.5 million
- 60 Denison St - $9 million

The value was determined by independent, professional property valuers.

(6) For each of the premises that are rented, the current lease terms including:
(a) the date the lease was entered into was 20 March 2009.
(b) the current expiry date of the lease is 20 March 2029.
(c) any further options available under the lease are two (2) option terms of five (5) years each.
(d) the rental amount payable per square metre on an annual basis is:
Office area total 4,231.3m² @$290/m² + GST = $1,227,077.00 + GST
Factory area total 6764.8m² @ $82/m² + GST = $554,713.60 + GST
Storage area total 2,387.9m² @ $45/m² + GST = $107,455.50 + GST

e) the total rental amount payable for the premises on an annual basis is $1,889,246.10 p.a. + GST based on latest survey dated 25 March 2011.

7) The next rental review is due on 20 March 2012 and the determination of any new rental will be determined by:
   (a) Fixed 3% increase on every anniversary except every 5th anniversary for the term of the lease.
   (b) Market Review on every 5th anniversary during the term of the lease. The market review dates are 20 March 2014; 20 March 2019; 20 March 2024; and 20 March 2029.

Australian Accounting Standards Board
(Question No. 1002)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:
With reference to the Australian Accounting Standards Board:
(1) What is the actual location, including the full street address, of each premises occupied by the Australian Accounting Standards Board.
(2) In relation to each of the premises referred to in 1, are these premises:
   (a) owned by the Commonwealth; or
   (b) rented.
(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Accounting Standards Board at each of the premises.
(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.
(5) For each of the premises that are owned by the Commonwealth:
   (a) what was the total purchase price of these premises and what was the purchase date;
   (b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
   (c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.
(6) For each of the premises that are rented, what are the current lease terms including:
   (a) the date the lease was entered into;
   (b) the current expiry date of the lease;
   (c) any further options available under the lease;
   (d) the rental amount payable per square metre on an annual basis; and
   (e) the total rental amount payable for the premises on an annual basis.
(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:
(1) Level 7
600 Bourke Street
Melbourne, 3000
(2) Rented
(3) 738.25
(4) Nil
(5) (a) N/A
   (b) N/A
   (c) N/A
(6) (a) 1 August 2006
   (b) 31 July 2016
   (c) No
   (d) 377.16 sqm Net
   (e) 241,784.49 p.a. Net
(7) 1 August 2012
 Fixed percentage increase each and every anniversary of the commencement date of 4%

National Competition Council: Accommodation
(Question No. 1003)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the National Competition Council:

(1) What is the actual location, including the full street address, of each premises occupied by the National Competition Council.

(2) In relation to each of the premises referred to in 1, are these premises:
   (a) owned by the Commonwealth; or
   (b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the National Competition Council at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:
   (a) what was the total purchase price of these premises and what was the purchase date;
   (b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
   (c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
   (a) the date the lease was entered into;
   (b) the current expiry date of the lease;
   (c) any further options available under the lease;
   (d) the rental amount payable per square metre on an annual basis; and
   (e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.
Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) The National Competition Council has one office which is located on Level 18 (in a portion of Level 18 occupied by the Australian Government Solicitor (Head Lessor)), 200 Queen Street, Melbourne, Victoria 3000.

(2) (b) The premises are rented under licence from the Australian Government Solicitor.

(3) The actual amount of space allocated to the National Competition Council at the above premises is approximately 218 square metres.

(4) The Australian Government Solicitor also occupies space at 200 Queen Street. The total amount of space occupied by the Australian Government Solicitor is not known.

(5) Not applicable.

(6) (a) The licence was entered into on 5 April 2011.

(b) The current expiry date of the licence is 4 April 2015.

(c) There is an option to renew for a further term commencing 5 April 2015 and ending 31 January 2017.

(d) The rental amount payable per square metre on an annual basis is $531.63 GST exclusive.

(e) The total rental amount payable for the premises on an annual basis is $115,895 GST exclusive.

(7) The next rental review is due on 5 April 2012 based on a 4% increase.

Auditing and Assurance Standards Board
(Question No. 1004)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Auditing and Assurance Standards Board:

(1) What is the actual location, including the full street address, of each premises occupied by the Auditing and Assurance Standards Board.

(2) In relation to each of the premises referred to in 1, are these premises:

(a) owned by the Commonwealth; or

(b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Accounting Standards Board at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:

(a) what was the total purchase price of these premises and what was the purchase date;

(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and

(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:

(a) the date the lease was entered into;

(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator’s question:

(1) Level 7
600 Bourke Street
Melbourne, 3000
(2) Rented
(3) AUASB 446.75
(4) Nil
(5) (a) N/A
(b) N/A
(c) N/A
(6) (a) 1 August 2006
(b) 31 July 2016
(c) No
(d) 377.16 sqm Net
(e) 146,315.63 p.a. Net
(7) 1 August 2012

Fixed percentage increase each and every anniversary of the commencement date of 4%

Corporations and Markets Advisory Committee: Accommodation
(Question No. 1005)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Corporations and Markets Advisory Committee:
(1) What is the actual location, including the full street address, of each premises occupied by the Corporations and Markets Advisory Committee.
(2) In relation to each of the premises referred to in 1, are these premises:
   (a) owned by the Commonwealth; or
   (b) rented.
(3) What is the actual amount of space in square metres occupied by, or allocated to, the Corporations and Markets Advisory Committee at each of the premises.
(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.
(5) For each of the premises that are owned by the Commonwealth:
   (a) what was the total purchase price of these premises and what was the purchase date;
(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and

(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
(a) the date the lease was entered into;
(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) CAMAC has only one location and its location is: Level 16, Suite 1B, 60 Margaret Street, Sydney NSW 2000
(2) Rented
(3) 224 square metres
(4) As for (3)
(5) Not applicable
(6) (a) Date the lease was entered into: 1 February 2009
(b) Expiry date of the Lease term: 31 January 2014
(c) No
(d) Annual rental amount payable per square metre: $639.00m²
(e) Total rental amount: $143,136 with a 4% increase every year.
(7) There are no rent reviews.

Commonwealth Grants Commission: Accommodation
(Question No. 1006)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Commonwealth Grants Commission:

(1) What is the actual location, including the full street address, of each premises occupied by the Commonwealth Grants Commission.
(2) In relation to each of the premises referred to in 1, are these premises:
(a) owned by the Commonwealth; or
(b) rented.
(3) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Grants Commission at each of the premises.
(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.
(5) For each of the premises that are owned by the Commonwealth:
(a) what was the total purchase price of these premises and what was the purchase date;
(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
(a) the date the lease was entered into;
(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) 1ST Floor Phoenix House, 86-88 Northbourne Avenue BRADDON ACT 2612
(2) Rented
(3) 931 sq metres
(4) 931 sq metres
(5) (a) (b) and (c) not applicable.
(6) (a) 1 July 2010
(b) 30 June 2015;
(c) 12 months;
(d) $383 (actual) effective 1 July 2011 (GST exclusive)
(e) $356800 (actual) also (GST exclusive)

(7) No rental review due and lease has a 3.5% annual increase for next 4 years.

Australian Prudential Regulation Authority: Accommodation
(Question No. 1009)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

With reference to the Australian Prudential Regulation Authority:
(1) What is the actual location, including the full street address, of each premises occupied by the Australian Prudential Regulation Authority.
(2) In relation to each of the premises referred to in 1, are these premises:
(a) owned by the Commonwealth; or
(b) rented.
(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Prudential Regulation Authority at each of the premises.
(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.
(5) For each of the premises that are owned by the Commonwealth:
(a) what was the total purchase price of these premises and what was the purchase date;
(b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
(c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
(a) the date the lease was entered into;
(b) the current expiry date of the lease;
(c) any further options available under the lease;
(d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

(1) and (3) Adelaide – Floor 5, 100 Pirie Street, Adelaide SA 5000 – 293.3sqm.
Brisbane – Level 23, 300 Queen Street, Brisbane QLD 4000 – 580.0sqm.
Canberra – Level 2, 243-251 Northbourne Ave, Lyneham ACT 2602 – 1,150.0sqm.
Melbourne – Level 21, Casselden Place, 2 Lonsdale Street, Melbourne VIC 3000 – 1,484.0sqm.
Perth – Suite 15E, 250 St Georges Terrace, Perth WA 6000 – 158.0sqm.
Sydney – Level 26, 400 George Street, Sydney NSW 2000 – 8,466.6sqm.

(2) All APRA premises are rented.

(4) The space identified in 3 above is wholly occupied or allocated to APRA or its agents.

(5) Not Applicable.

(6) and (7) Refer table below:

<table>
<thead>
<tr>
<th>Property</th>
<th>Date lease entered into</th>
<th>Current expiry date</th>
<th>Further options available</th>
<th>Annual rental per sqm</th>
<th>Total rental per annum</th>
<th>Next rent review date</th>
<th>Basis of new rental determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>1/1/2010</td>
<td>31/12/2012</td>
<td>Yes</td>
<td>$365.65</td>
<td>$107,245</td>
<td>1/1/2012</td>
<td>Based on building management increases, property value and</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>outgoings</td>
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<tr>
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<td>Brisbane</td>
<td>1/7/2008</td>
<td>30/6/2012</td>
<td>No</td>
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<td>$545,200</td>
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<td>Canberra</td>
<td>31/7/2007</td>
<td>31/7/2012</td>
<td>N/A – APRA no longer requires space as function to be transferred to the Department of Human Services</td>
<td>$396.44</td>
<td>$455,906</td>
<td>N/A</td>
<td>No longer required by APRA due to transfer of function to the Department of Human Services</td>
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<td>Melbourne</td>
<td>1/10/2004</td>
<td>30/9/2012</td>
<td>Yes</td>
<td>$442.53</td>
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<td>Based on building management increases, property value and</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Property</td>
<td>Date lease entered into</td>
<td>Current expiry date</td>
<td>Further options available</td>
<td>Annual rental per sqm</td>
<td>Total rental per annum</td>
<td>Next rent review date</td>
<td>Basis of new rental determination</td>
</tr>
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<td>Perth</td>
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<td>30/6/2014</td>
<td>No</td>
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<td>$126,874</td>
<td>1/10/11</td>
<td>Outgoings Based on building management increases, property value and outgoings</td>
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<td>Sydney</td>
<td>1/10/2008</td>
<td>30/9/2012</td>
<td>Yes – for most levels</td>
<td>$603.20</td>
<td>$5,107,053</td>
<td>Levels 16, 17, 25-29 1/10/2012</td>
<td>Based on building management increases, property value and outgoings</td>
</tr>
</tbody>
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**Australian Competition and Consumer Commission: Accommodation (Question No. 1010)**

**Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 18 August 2011:

(1) What is the actual location, including the full street address, of each premises occupied by the Australian Competition and Consumer Commission.

(2) In relation to each of the premises referred to in 1, are these premises:
   (a) owned by the Commonwealth;
   (b) rented.

(3) What is the actual amount of space in square metres occupied by, or allocated to, the Australian Competition and Consumer Commission at each of the premises.

(4) What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.

(5) For each of the premises that are owned by the Commonwealth:
   (a) what was the total purchase price of these premises and what was the purchase date;
   (b) what amount has been allocated as building depreciation from the date of purchase to the current date; and
   (c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived.

(6) For each of the premises that are rented, what are the current lease terms including:
   (a) the date the lease was entered into;
   (b) the current expiry date of the lease;
   (c) any further options available under the lease;
   (d) the rental amount payable per square metre on an annual basis; and
(e) the total rental amount payable for the premises on an annual basis.

(7) When is the next rental review due and on what basis will any new rental be determined.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

1. What is the actual location, including the full street address, of each premises occupied by the Australian Competition and Consumer Commission. – Refer to Attachment A

2. In relation to each of the premises referred to in 1, are these premises:
   a) owned by the Commonwealth; - Nil
   b) rented. – ACCC Premises are all leased (refer to Attachment A)

3. What is the actual amount of space in square metres occupied by, or allocated to, the Australian Competition and Consumer Commission at each of the premises.
   Refer to Attachment A

4. What is the actual amount of space in square metres occupied by, or allocated to, the Commonwealth Government at each of the premises.
   The space occupied by other Commonwealth agencies is not held by the ACCC. The Department of Finance and Deregulation monitors all Commonwealth lease holdings.

5. For each of the premises that are owned by the Commonwealth:
   a) what was the total purchase price of these premises and what was the purchase date; Not applicable
   b) what amount has been allocated as building depreciation from the date of purchase to the current date; and Not applicable
   c) what is the estimated current market value of these premises and on what basis has this market value been calculated or derived. Not applicable

6. For each of the premises that are rented, what are the current lease terms including:
   a) the date the lease was entered into; Refer to Attachment A
   b) the current expiry date of the lease; Refer to Attachment A
   c) any further options available under the lease; Refer to Attachment A
   d) the rental amount payable per square metre on an annual basis; and - Refer to Attachment A
   e) the total rental amount payable for the premises on an annual basis. - Refer to Attachment A

7. When is the next rental review due and on what basis will any new rental be determined.
   Refer to Attachment A *(Available from the Senate Table Office)*

**Tertiary Education, Skills, Jobs and Workplace Relations**

*(Question No. 1019)*

**Senator Abetz** asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 22 August 2011:

In regard to the answer to question on notice no. EW0077-12 taken on notice during the 2011-12 Budget estimates hearings of the Education Employment and Workplace Relations Legislation Committee, relating to unfair dismissal proceedings:

1. On how many occasions has the employee been awarded costs against an employer in unfair dismissal proceedings.

2. Can the figures be provided for awarded costs in relation to adverse action claims, delineating between employees and employers having costs awarded in their favour.
**Senator Chris Evans:** The answer to the honourable senator's question is as follows:

1. In relation to unfair dismissal proceedings, there have been two instances of costs being awarded against an employer.
2. Fair Work Australia has not issued any orders for costs against either employees or employers in relation to adverse action claims.

**Fair Work Australia**  
(Question No. 1024)

**Senator Abetz** asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 24 August 2011:

With reference to Fair Work Australia:

1. What has been the total cost of providing conciliation services for:
   (a) unfair dismissal;
   (b) adverse action; and
   (c) other matters.

2. What have been the sizes of the businesses (by any available measure) in each particular area mentioned in (1).

**Senator Chris Evans:** The answer to the honourable senator's question is as follows:

1. (a) The total cost of providing conciliation services for unfair dismissal applications cannot be precisely identified. The total remuneration cost for conciliators for the 2010-11 financial year was $3.325M (including leave accruals, superannuation etc). Other costs incurred cannot be solely attributed to the conduct of conciliations, such as administrative support and accommodation, which have not been included for the purpose of this answer.  
   (b) and (c) Conferences for adverse action and other matters (including in some instances unfair dismissal) are provided by members of the tribunal as part of their statutory duties under the Fair Work Act 2009. These costs cannot be separately identified.

2. In relation to unfair dismissal matters, for the period 1 July 2010 to 30 June 2011 where matters were conciliated, the size of businesses based on information provided by the respondent, where so provided, were as recorded in the table below.

<table>
<thead>
<tr>
<th>Size of Business</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-14</td>
<td>2434</td>
</tr>
<tr>
<td>15-19</td>
<td>546</td>
</tr>
<tr>
<td>20-29</td>
<td>680</td>
</tr>
<tr>
<td>30-49</td>
<td>767</td>
</tr>
<tr>
<td>50-74</td>
<td>549</td>
</tr>
<tr>
<td>75-99</td>
<td>345</td>
</tr>
<tr>
<td>100-149</td>
<td>488</td>
</tr>
<tr>
<td>&gt;150</td>
<td>3386</td>
</tr>
<tr>
<td>Unknown*</td>
<td>576</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9771</td>
</tr>
</tbody>
</table>

* Unknown as information not provided or number of employees in dispute

Parties to proceedings under sections 365 and 372 of the Fair Work Act and other (not related to unfair dismissal) matters before Fair Work Australia are not required to provide information about the size of their businesses.

Fair Work Australia is unable to provide information about the sizes of the businesses (by any available measure) in relation to adverse action and other matters.
Australian Office of Financial Management: Advertising
(Question No. 1036)

Senator Abetz asked the Minister representing the Treasurer, upon notice, on 29 August 2011:
Has the Australian Office of Financial Management contracted for any ‘campaign advertising’ in the 2011-12 financial year; if so:
(a) what is the total cost of advertising;
(b) what is the advertising for;
(c) who authorised the advertising; and
(d) on what media will the advertising appear or has appeared.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:
(a) Development of advertisement: $24,802.52. Placement of advertisement: $111,364.55.
(b) The advertisement was created and placed specifically to raise awareness and educate North American institutional/wholesale investors about the Commonwealth Government Securities (CGS) market. This sector of the offshore investor base is believed to be relatively in-active in Australian dollar denominated bonds. The AOFM has an objective of diversifying the CGS investor base, particularly where there is likely to be interest in the long-end of the CGS yield curve. This supports the announced strategy to issue a fifteen-year Treasury Bond.
(c) The Chief Executive Officer of the AOFM.
(d) The advertisement will appear in three monthly editions of the Bloomberg Markets magazine (prior to December 2011), plus the inaugural annual Bloomberg guide. In addition references to the AOFM (and links to AOFM information) will appear on all Bloomberg terminals on seven dates during 2011-12.