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RADIO BROADCASTS

Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and
News Network radio stations, in the areas identified.

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- **SYDNEY**: 630 AM
- **NEWCASTLE**: 1458 AM
- **GOSFORD**: 98.1 FM
- **BRISBANE**: 936 AM
- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

Governor-General

His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

Senate Officeholders

President—Senator the Hon. Paul Henry Calvert
Deputy President and Chairman of Committees—Senator John Joseph Hogg

Leader of the Government in the Senate—Senator the Hon. Nicholas Hugh Minchin
Deputy Leader of the Government in the Senate—Senator the Hon. Helen Lloyd Coonan
Leader of the Opposition in the Senate—Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate—Senator Stephen Michael Conroy
Manager of Government Business in the Senate—Senator the Hon. Christopher Martin Ellison
Manager of Opposition Business in the Senate—Senator Joseph William Ludwig

Senate Party Leaders and Whips

Leader of the Liberal Party of Australia—Senator the Hon. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator the Hon. Helen Lloyd Coonan
Leader of The Nationals—Senator the Hon. Ronald Leslie Doyle Boswell
Deputy Leader of The Nationals—Senator the Hon. John Alexander Lindsay (Sandy) Macdonald
Leader of the Australian Labor Party—Senator Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Stephen Michael Conroy
Leader of the Australian Democrats—Senator Lynette Fay Allison
Leader of the Australian Greens—Senator Robert James Brown
Leader of the Family First Party—Senator Steve Fielding
Liberal Party of Australia Whips—Senators Jeannie Margaret Ferris and Alan Eggleston
Nationals Whip—Senator Nigel Gregory Scullion
Opposition Whips—Senators George Campbell, Linda Jean Kirk and Ruth Stephanie Webber
Australian Democrats Whip—Senator Andrew John Julian Bartlett
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
## Members of the Senate

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(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. John Joseph Herron, resigned.
(2) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(4) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Susan Mary Mackay, resigned.
(5) Chosen by the Parliament of South Australia to fill a casual vacancy vice Hon. Robert Murray Hill, resigned.

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

**Heads of Parliamentary Departments**
Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—H R Penfold QC
HOWARD MINISTRY

Prime Minister
Minister for Trade and Deputy Prime Minister
Treasurer
Minister for Transport and Regional Services
Minister for Defence
Minister for Foreign Affairs
Minister for Health and Ageing and Leader of the House
Attorney-General
Minister for Finance and Administration, Leader of the Government in the Senate and Vice-President of the Executive Council
Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House
Minister for Immigration and Multicultural Affairs Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues
Minister for Families, Community Services and Indigenous Affairs
Minister Assisting the Prime Minister for Indigenous Affairs
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service
Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate
Minister for the Environment and Heritage

The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
The Hon. Dr Brendan John Nelson MP
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin
The Hon. Peter John McGauran MP
Senator the Hon. Amanda Eloise Vanstone
The Hon. Julie Isabel Bishop MP
The Hon. Malcolm Thomas Brough MP
The Hon. Ian Elgin Macfarlane MP
The Hon. Kevin James Andrews MP
Senator the Hon. Helen Lloyd Coonan
Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)
HOWARD MINISTRY—continued

Minister for Justice and Customs and Manager of Government Business in the Senate
Senator the Hon. Christopher Martin Ellison

Minister for Fisheries, Forestry and Conservation
Senator the Hon. Eric Abetz

Minister for the Arts and Sport
Senator the Hon. Charles Roderick Kemp

Minister for Human Services and Minister Assisting the Minister for Workplace Relations
The Hon. Joseph Benedict Hockey MP

Minister for Community Affairs
The Hon. John Kenneth Cobb MP

Minister for Revenue and Assistant Treasurer
The Hon. Peter Craig Dutton MP

Special Minister of State
The Hon. Gary Roy Nairn MP

Minister for Vocational and Technical Education and Minister Assisting the Prime Minister
The Hon. Gary Douglas Hardgrave MP

Minister for Ageing
Senator the Hon. Santo Santoro

Minister for Small Business and Tourism
The Hon. Frances Esther Bailey MP

Minister for Local Government, Territories and Roads
The Hon. James Eric Lloyd MP

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence
The Hon. Bruce Frederick Billson MP

Minister for Workforce Participation
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Finance and Administration
Senator the Hon. Richard Mansell Colbeck

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Robert Charles Baldwin MP

Parliamentary Secretary to the Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Parliamentary Secretary to the Minister for Defence
Senator the Hon. John Alexander Lindsay (Sandy) Macdonald

Parliamentary Secretary (Trade)
The Hon. De-Anne Margaret Kelly MP

Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs
The Hon. Andrew John Robb MP

Parliamentary Secretary to the Prime Minister
The Hon. Malcolm Bligh Turnbull MP

Parliamentary Secretary to the Treasurer
The Hon. Christopher John Pearce MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Gregory Andrew Hunt MP

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
The Hon. Sussan Penelope Ley MP

Parliamentary Secretary to the Minister for Education, Science and Training
The Hon. Patrick Francis Farmer MP

Parliamentary Secretary (Foreign Affairs)
The Hon. Teresa Gambaro MP
SHADOW MINISTRY

Leader of the Opposition  The Hon. Kim Christian Beazley MP
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research  Jennifer Louise Macklin MP
Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services  Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology  Senator Stephen Michael Conroy
Shadow Minister for Health and Manager of Opposition Business in the House  Julia Eileen Gillard MP
Shadow Treasurer  Wayne Maxwell Swan MP
Shadow Attorney-General  Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations  Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security  Kevin Michael Rudd MP
Shadow Minister for Defence  Robert Bruce McClelland MP
Shadow Minister for Regional Development  The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism  Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House  Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories  Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services  Kelvin John Thomson MP
Shadow Minister for Finance  Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services  Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women  Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility  Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)
SHADOW MINISTRY—continued

Shadow Minister for Consumer Affairs and Shadow Minister for Population Health and Health Regulation
Laurie Donald Thomas Ferguson MP

Shadow Minister for Agriculture and Fisheries
Gavan Michael O’Connor MP

Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Small Business and Competition
Joel Andrew Fitzgibbon MP

Shadow Minister for Transport
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Sport and Recreation
Senator Kate Alexandra Lundy

Shadow Minister for Homeland Security and Shadow Minister for Aviation and Transport Security
The Hon. Archibald Ronald Bevis MP

Shadow Minister for Veterans’ Affairs and Shadow Special Minister of State
Alan Peter Griffin MP

Shadow Minister for Defence Industry, Procurement and Personnel
Senator Thomas Mark Bishop

Shadow Minister for Immigration
Anthony Stephen Burke MP

Shadow Minister for Ageing, Disabilities and Carers
Senator Jan Elizabeth McLucas

Shadow Minister for Justice and Customs and Manager of Opposition Business in the Senate
Senator Joseph William Ludwig

Shadow Minister for Overseas Aid and Pacific Island Affairs
Robert Charles Grant Sercombe MP

Shadow Minister for Citizenship and Multicultural Affairs
Senator Annette Hurley

Shadow Parliamentary Secretary for Reconciliation and the Arts
Peter Robert Garrett MP

Shadow Parliamentary Secretary to the Leader of the Opposition
John Paul Murphy MP

Shadow Parliamentary Secretary for Defence and Veterans’ Affairs
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Industry, Infrastructure and Industrial Relations
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Immigration
Ann Kathleen Corcoran MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Science and Water
Senator Ursula Mary Stephens

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

PETITIONS

The Clerk—A petition has been lodged for presentation as follows:

Information Technology: Internet Content

The internet is a great educational tool. However children can too easily access pictures of violent cruelty and extreme pornography on the internet. Labor wants a “clean feed” technology that can block access to these kinds of sites.

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

This petition of certain citizens of Australia draws to the attention of the Senate, the danger of children accessing internet pornography and other internet pages.

Your petitioners therefore ask the Senate to make laws that:

• All internet service providers be required to offer a “clean feed” internet service to all households, schools and public libraries that blocks access to websites containing child pornography, acts of extreme violence and x-rated material.

by The President (from 112 citizens).

Petition received.

NOTICES

Presentation

Senator Bob Brown to move on Tuesday, 12 September 2006:

That the Senate—

(a) notes that the death penalty was removed from the Australian statute books in 1973; and

(b) calls on the Government to legislate to ensure that no official Australian action is taken to subject Australians to the risk of the death penalty overseas.

Senator Stott Despoja to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the introduction of voluntary student unionism on 1 July 2006 has resulted in the loss of numerous jobs and the closure of vital student services,

(ii) many other student services are in jeopardy,

(iii) the Government’s ‘Voluntary Student Unionism Transition Fund’ has done little to protect essential university services such as child care, welfare, counselling, advocacy and accommodation,

(iv) the closure of these services is having a devastating effect on poorer students and those in regional and isolated areas, and

(v) the introduction of voluntary student unionism has undermined student autonomy and representation at universities; and

(b) calls on the Government to reverse voluntary student unionism.

COMMITTEES

Selection of Bills Committee Report

Senator Ferris (South Australia) (9.31 am)—I present the 9th report of 2006 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator Ferris—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 9 OF 2006

(1) The committee met in private session on Wednesday, 6 September 2006 at 4.45 pm.

(2) The committee resolved to recommend—

That the provisions of the Higher Education Legislation Amendment (2006 Budget and
Other Measures) Bill 2006 be referred immediately to the Employment, Workplace Relations and Education Legislation Committee for inquiry and report by 3 October 2006 (see appendices 1 and 2 for statements of reasons for referral).

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

- Archives Amendment Bill 2006
- Education Services for Overseas Students Legislation Amendment (2006 Measures No. 2) Bill 2006
- Environment and Heritage Legislation Amendment (Antarctic Seals and Other Measures) Bill 2006
- Migration Legislation Amendment (Provisions Relating to Character and Conduct) Bill 2006
- Migration Legislation Amendment (Return to Procedural Fairness) Bill 2006
- National Cattle Disease Eradication Account Amendment Bill 2006

The committee recommends accordingly.

(4) The committee deferred consideration of the following bill to its next meeting:


(9.32 am)
Senator WATSON (Tasmania)—On behalf of the Senate Standing Committee on Regulations and Ordinances and pursuant to notice given on the last day of sitting, I now withdraw business of the Senate notice of motion No. 1 standing in my name for the next day of sitting.

Notice of Motion

Senator ELLISON (Western Australia)—Manager of Government Business in the Senate (9.32 am)—I move:
That the following government business orders of the day be considered from 1.15 p.m. till not later than 2.30 p.m. today:

Possible submissions or evidence from:
Committee to which bill is referred:
Possible hearing date:
Possible reporting date(s):

NOTICES

Withdrawal

Senator WATSON (Tasmania) (9.32 am)—On behalf of the Senate Standing Committee on Regulations and Ordinances and pursuant to notice given on the last day of sitting, I now withdraw business of the Senate notice of motion No. 1 standing in my name for the next day of sitting.

Rearrangement

Senator ELLISON (Western Australia)—Manager of Government Business in the Senate (9.32 am)—I move:
That the following government business orders of the day be considered from 1.15 p.m. till not later than 2.30 p.m. today:
No. 4 International Tax Agreements Amendment Bill (No. 1) 2006
No. 5 Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006
No. 6 Privacy Legislation Amendment Bill 2006

Question agreed to.

Rearrangement

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.32 am)—I move:

That the order of general business for consideration today be as follows:

(1) general business notice of motion no. 527 standing in the name of Senator McLucas relating to Medibank Private; and

(2) consideration of government documents.

Question agreed to.

BUDGET

Consideration by Legislation Committees

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.33 am)—I move:

(1) That the 2006-07 supplementary Budget estimates hearings by committees be scheduled as follows:
   Monday, 30 October and Tuesday, 31 October (Group A)
   Wednesday, 1 November and Thursday, 2 November (Group B).

(2) That the committees consider the proposed expenditure in accordance with the allocation of departments to committees agreed to by the Senate.

(3) That committees meet in the following groups:

   **Group A:**
   - Environment, Communications, Information Technology and the Arts
   - Finance and Public Administration
   - Legal and Constitutional Affairs
   - Rural and Regional Affairs and Transport

   **Group B:**
   - Community Affairs
   - Economics
   - Employment, Workplace Relations and Education
   - Foreign Affairs, Defence and Trade.

Question agreed to.

LOCAL GOVERNMENT IN AUSTRALIA

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.34 am)—I move:

That the Senate—

(a) recognises that local government is part of the governance of Australia, serving communities through locally-elected councils;

(b) values the rich diversity of councils around Australia, reflecting the varied communities they serve;

(c) acknowledges the role of local government in governance, advocacy, the provision of infrastructure, service delivery, planning, community development and regulation;

(d) acknowledges the importance of cooperating and consulting with local government on the priorities of their local communities;

(e) acknowledges the significant Australian Government funding that is provided to local government to spend on locally determined priorities, such as roads and other local government services; and

(f) commends local government elected officials who give their time to serve their communities.

Senator CARR (Victoria) (9.34 am)—by leave—I move:

Omit paragraph (a), substitute:

(a) supports a referendum to extend constitutional recognition to local government in recognition of the essential role it plays in the governance of Australia;
The PRESIDENT—Senator Carr, you have leave to make a short statement.

Senator Bartlett—If there is going to be a debate on the amendment, could we not have formality but, rather, shift it to a later stage in order to have a proper debate? If people are going to speak to it then we would all like to speak to it. If we had known that people were going to speak to that amendment, we would not have given the motion formality.

The PRESIDENT—We have already taken the motion as formal and leave has been granted for a short statement. If you wish to make a short statement, it has already been indicated that leave would be granted to you, too, Senator.

Senator CARR—by leave—Today we are considering a resolution to give formal parliamentary recognition to the importance of local government. It is a proposition that the opposition supports. However, in moving the amendment, we are seeking to strengthen this recognition. The opposition further recognise the status and importance of local government to our federal system of government. It has been the longstanding platform of the Australian Labor Party that there ought to be a referendum to give constitutional recognition of local government. We support the greater recognition of the increasing role in the range of social, cultural and human services undertaken by local government. Labor have a long history of implementing closer collaboration and consultation between the various levels of government and it is appropriate that we seek to have that commitment included in this resolution.

Finally, Labor welcomes the opportunity to join with other members of the house in acknowledging the dedication and the commitment shown by so many local government officials and office bearers in serving their communities, with little or no anticipation of financial reward. There are important issues and they all warrant recognition. These are of course reassuring sentiments; however, they are well deserved. There needs to be a much greater response than that. While this recognition is a step in the right direction, it is undoubtedly only a very small step and a rather belated one at that.

Our support for this motion is tempered by caution. We are cautious because we do not believe that the government has done enough to support local government—far from it. The opposition are cautious because we are waiting to see what real commitment this government is prepared to put behind the rhetoric of this motion. Our fears are not lessened by the fact that it has taken the government two years to respond to the Hawker report and a further year to bring this motion before the two chambers of this parliament. The current motion stems from just one of the Hawker committee’s recommendations. The committee made a total of 18 recommendations and, of those 18 recommendations, the government has fully supported only seven of them. If the recommendations cost any money, it appears that the government takes the view that of course they are something that the states should adopt. In those circumstances, there has to be much more action by this government in terms of its support for local government.

The motion goes to the heart of the current problematic arrangements, such as the suggestion regarding the new methodology for calculating financial assistance for local government and the question of the establishment of a local government liaison unit within the Commonwealth—and what we have seen from the Commonwealth on this is a rejection of that proposition. That is totally inadequate in today’s circumstances. It is time for much more. As the President of the Australian Local Government Association,
Councillor Paul Bell, has argued, this motion is largely symbolic. It is time to move beyond symbolism. We do not quibble with the bulk of the sentiments contained in this motion—fine sentiments notwithstanding, this is a very timid proposition. It is a document that lacks vision for local government.

Senator Ellison interjecting—

Senator CARR—The minister is saying that leave was granted for a short statement. I am making a short statement.

The PRESIDENT—Senator, leave was granted for a short statement.

Senator Ellison—Mr President, on a point of order: leave was given for a short statement and it is going on, and now Senator Carr is abusing the concession which was afforded him. Can you draw that to the senator’s attention—that leave was given for a short statement.

Senator Chris Evans—Mr President, on the point of order: generally, leave for short statements has been granted as a courtesy. Senator Carr indicated that he does not have long to go. I think any suggestion that Senator Carr is abusing the process is unrealistic compared to some of the performances we have heard from others. I think Senator Carr ought to be allowed to finish.

The PRESIDENT—Leave was granted before you came into the chamber. He had been speaking for quite some time. Leave was granted for a short statement. He did say he was winding up, but he wound himself up again. I just remind Senator Carr that leave was granted for a short statement.

Senator Chris Evans—Mr President, on the point of order: I do not think it is appropriate for the chair to describe a senator as having wound himself up and to run a commentary on it. My point of order is that you have to rule according to the rules of the Senate. If no time was set, then it is within the rights of the senator to speak. I think it is fine for him to be reminded that it was to be a short statement, but for the President to run a commentary on the performance of the senator speaking is quite out of order. I ask you to think about that.

The PRESIDENT—You are now reflecting on the chair, Senator—are you?

Senator Chris Evans—I am making a point of order. My point of order is to you. I do not think it is appropriate for you to comment on the content of a senator’s speech.

The PRESIDENT—I was commenting on the fact that leave was granted for a short statement. The senator himself said ‘finally’ and was winding up, but he did not wind up. That was the point I was trying to make—that he had indicated to the Senate that he was winding up his short statement, but he went on for a lot longer. Senator Carr, would you continue.

Senator CARR—This situation has been raised because the minister approached the opposition about this motion and advised us there would be an opportunity to debate the motion—and there was that opportunity in the House of Representatives. But it has been brought into the Senate under this blunt instrument of a formal motion. I sought leave on the agreement of the government to make a short statement, which I understood could be about five minutes.

Senator Ellison—It has been five minutes.

Senator CARR—It has not been five minutes. What we have here is the government finding complaint on a motion that they said they wanted us to agree to. We have proposed an amendment to provide me with an opportunity to speak to the motion, because of a shifty arrangement to prevent debate on a serious matter. I would like to conclude by making these final points.
My amendment calls for constitutional recognition of local government by way of referendum. It is not a symbolic measure, but it is of practical value. As I have previously argued, such recognition would enable local government to participate more effectively in national programs. It would enable the Commonwealth to address more effectively the vexing issue of financial support for local government. It would revitalise the relationship between the Commonwealth government and its local counterparts. It is true that this issue has been unsuccessful in previous referenda, but we must all recognise the reason for this failure: this proposal became embroiled in other political issues that predetermined an unfavourable outcome. To succeed, any referendum proposal needs bipartisan support. This is my challenge to the government. This amendment before the Senate acknowledges the importance of cooperation. By carrying this amendment, we would put that into practical effect. A bipartisan approach to constitutional recognition, as we have advocated, would have every reason for success at a future referendum. It is time that the government moved beyond platitudes, and this amendment deserves to be carried.

The amendment before us, nonetheless, is supported by the Democrats, despite all the unnecessary flurry around it. Indeed, it would be better for the amendment and the substantive motion that the debate were conducted in a way that recognised that there is strong multiparty support for what is being put forward here, rather than drawing attention to the one per cent where there is disagreement. Local government is terribly under-recognised. The Democrats have long held a view that we should be strengthening local government, building up to regional government, and, quite frankly, looking for opportunities to abolish states altogether. I think that the latest election in my home state of Queensland has done little other than to prove that we could do without states altogether. We would all be better off probably once we strengthened—

Senator Ian Macdonald—Hear! Hear!

Senator BARTLETT—I note the interjection from Senator Macdonald. Doing away with the states altogether would involve proper recognition of local government along the way. I do not want to over-inject our view as a party into the intent of this motion, which is to get recognition across all party lines of the strong support for local government. That is the intent and we take the opportunity to indicate our particular view as a party on that issue.
It is also our view that a referendum on constitutional recognition would be valuable, and in an ideal world maybe that could be combined with a referendum to downgrade the states as well. But we are not here to beat up on the states; we are here to support local government, and the Democrats welcome the opportunity to do that and to speak in support of this amendment.

Senator IAN MACDONALD (Queensland) (9.46 am)—by leave—I want to say a few words on this on behalf of government, as a former local government minister and a member of a council for 11 years—and in saying that, Mr President, I recognise your distinguished career as Warden of Clarence, a very significant council in Tasmania. At the Local Government Association of Queensland meeting last week the association asked that I might say a few words, and I am delighted to do that. I am one who believes that local government performs a magnificent role in the governance of Australia. Unfortunately, time does not permit me to give local government the credit that it deserves in Australian governance, but the motion is an expression of the government’s support for local government and it is adopted by the Labor Party and by all other parties in this chamber, I understand.

Senator Carr has moved an amendment to seek constitutional recognition by referendum. There are many in local government who want formal constitutional recognition. This proposition has been unsuccessful in two referenda and the government is not convinced that another referendum at this stage would produce a different result. And the reason for that—and I just want to make this point before I sit down—is that unless you have the bipartisan support that Senator Carr talks about you will never get a referendum through. Ask any one of the Labor state governments whether they would support a referendum and the answer is no. It is state governments that fear what Senator Bartlett mentioned: if there were formal recognition given to local government, it would not be long before there would be movement to get rid of the states. For that reason, and any number of other reasons, the Labor state governments want to keep local government under their thumb. They want to make sure that local governments are absolutely subservient to the state Labor governments, and that is why the state Labor governments, in spite of occasional lip service, will never agree to this—and if you do not have the states agreeing on a constitutional referendum you know what the outcome is going to be.

I give credit to the President of the ALGA, who is also the President of the LGAQ, Councillor Paul Bell, a great man and a very distinguished statesman almost. I have said to him that if he wants to have constitutional recognition there has to be agreement by all of the states first. When that happens then he can seriously think about constitutional recognition. Until that time, it is simply not feasible. In concluding, I again commend this motion to the Senate. I congratulate all parties for supporting it. It is recognition of the fabulous work that local government does in Australia. So many committed people right across our nation give their time and efforts to make sure that our governance at local level is world class and even better.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (9.50 am)—by leave—What local government wants is a seat at the table and, whether that is federal or state, that is what this is all about. It would not need constitutional recognition if it were offered that. So often, decisions are made that impact on local government but they are not at the table discussing them.

Senator Ian Macdonald—But they are at ministerial councils.
Senator ALLISON—That is true, but by and large their views are not heard, as I understand it. That seems to be the complaint. Their views are not heard in a substantial way and that is a pretty superficial involvement of local government. So I make that point. That is my understanding of what this issue is all about.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.51 am)—by leave—The Greens wholeheartedly support the motion and the opposition’s amendment for supporting a referendum for constitutional recognition of local government. I absolutely do not accept the excuse given by Senator Macdonald on behalf of the coalition that a referendum would fail. The only thing that would make a referendum fail—

Senator Ian Macdonald—It failed twice before, Bob.

Senator BOB BROWN—That is because the coalition did not support it. When we get all parties together supporting a referendum initiative, local government will get recognition. We have got the support in the Senate and we should stand up for carrying that through to justice under the Constitution, giving local government the constitutional recognition that it deserves. The government is letting down local government by not giving that support to this amendment today.

Question put:
That the amendment (Senator Carr’s) be agreed to.

The Senate divided. [9.56 am]
(The President—Senator the Hon. Paul Calvert)

Ayes………... 34
Noes………… 38
Majority……… 4

AYES

Allison, L.F.
Bishop, T.M.
Campbell, G. *
Conroy, S.M.
Evans, C.V.
Forsyth, M.G.
Hurley, A.
Kirk, L.
Lundy, K.A.
McEwen, A.
Milne, C.
Murray, A.J.M.
O’Brien, K.W.K.
Ray, R.F.
Stephens, U.
Stott Despoja, N.
Wong, P.

NOES

Abetz, E.
Barnett, G.
Boswell, R.L.D.
Calvert, P.H.
Chapman, H.G.P.
Eggleston, A.
Ferguson, A.B.
Fielding, S.
 Fifield, M.P.
 Joyce, B.
 Lightfoot, P.R.
 Macdonald, J.A.L.
 McGauran, J.J.J.
 Parry, S.
 Payne, M.A.
 Santoro, S.
 Troeth, J.M.
 Vanstone, A.E.

PAIRS

Brown, C.L.
Sherry, N.J.

denotes teller

Question negatived.
Original question agreed to.
BUSINESS
Rearrangement

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.58 am)—I move:

That, on Thursday, 7 September 2006, the routine of business be varied to provide that questions without notice be called on at 2.30 pm.

Question agreed to.

GENEVA CONVENTION

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.59 am)—I move:

That the Senate supports the Geneva Convention and opposes the failure to implement the convention regardless of by whom or where they may be breached.

Question agreed to.

MIGRATION LEGISLATION AMENDMENT (END OF MANDATORY DETENTION) BILL 2006

First Reading

Senator BARTLETT (Queensland) (10.00 am)—I move:

That the following bill be introduced: A Bill for an Act to end the mandatory detention of visa applicants and asylum seekers, and for related purposes.

Question agreed to.

Second Reading

Senator BARTLETT (Queensland) (10.00 am)—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—

MIGRATION LEGISLATION AMENDMENT (END OF MANDATORY DETENTION) BILL 2006

This Private Senator’s Bill is one of a number of Migration Act Amendment Bills which I will table in the course of this parliamentary year. This bill seeks to eliminate mandatory detention which was introduced by the Migration Reform Act 1992.

The Democrats are fundamentally opposed to the system of mandatory detention of asylum seekers and we opposed the legislation which put it in place, which was passed with the support of both major parties.

The existing law regarding mandatory detention is a fundamental breach of the United Nations Refugee Convention Article 31, which states that: The Contracting States shall not impose penalties, on account of their illegal entry or presence, on refugees who, coming directly from a territory where their life or freedom was threatened in the sense of article 1, enter or are present in their territory without authorization, provided they present themselves without delay to the authorities and show good cause for their illegal entry or presence.

Practice over more than a decade has shown that it is nonsensical to suggest that mandatory detention is not a penalty, particularly when it is regularly cited as being a deterrent against people considering entering Australia unlawfully. Australia is the only Western nation that imposes this system of mandatory detention which has been directly responsible for enormous and in some cases irreparable mental and physical damage to men, women and children alike. Numerous reports and Senate Inquiries have uncovered the horror stories which detail the severe trauma that children in particular have experienced. The case of then three year old Naomi Leong, who had spent virtually all her life in Villawood detention centre, received widespread publicity. Many people remember the horrific Four Corners report about the then seven year old boy Shayan Bedrie, who had become incapable of speaking and had
regressed because of the trauma of the detention experience.

Despite the Government’s continuing claims to the contrary, there is no doubt that the law relating to mandatory detention had led to breaches of the Convention of the Rights of the Child. The failure to acknowledge these breaches and the undoubted harm done to children is a basic indication of the Government’s obsession to put border control compliance over and above every other thing, including basic human decency.

In 2005, there was a significant shift in the Australian Government’s asylum seeker policy, due in part to the actions of some Government backbench MPs in pressuring the Prime Minister to address growing community concerns about existing injustices, coupled with the need to act on the Palmer and Comrie Reports and recommendations. This has seen more children out of detention and a system for examining the cases of long term detainees. However, important though these changes are, I believe that unless the Migration Act itself is completely revamped and mandatory detention abolished, the risk for further harm and injustices is far too great. In addition to the total devastation this has caused to asylum seekers and refugees, the financial costs which taxpayers have borne are staggering.

The total costs to taxpayers for detaining asylum seekers both on and offshore since its inception is close to a billion dollars. The current operational costs of detaining asylum seekers on the mainland itself is approximately $67 million. This figure does not even take into consideration the costs of the Pacific solution on Nauru and Manus Island which according to a DIMIA fact sheet cost $188 million from its inception in September 2001 to June 2004. It does not include the additional $230 million which has been wasted on building detention centres between 2001 and 2004 or the extra $336 million which was allocated to build the new detention facility on Christmas Island.

The Democrats have proposed alternative programs to mandatory detention for asylum seekers. These are based on those developed and put forward by many NGOs and community organisations over some time, and have been proven to work humanely, effectively and more cheaply, whilst also addressing security concerns:

- All asylum seekers who enter Australian waters will be processed onshore;
- Asylum seekers will initially be accommodated for a limited period of time in facilities monitored by NGO’s, to assess health, security and social service needs;
- When this assessment is complete asylum seekers would be released into the community with financial and casework assistance whilst their application for protection is completed;
- Case work assistance will continue for those whose applications for protection are unsuccessful, to ensure they are able to meet appeal deadlines or arrange return travel; and,
- A short-term detention facility will still be required for visa overstayers and criminal deportees who are about to depart the country. This should continue to be located in a major capital city.

The costs for a policy such as the above would not only be considerably less but would also be more humane, ensure that our international obligations are met and most of all guarantee that asylum seekers and refugees’ rights are not trampled on.

The Democrats will continue the fight to end detention and other refugee and migration laws and policies that are an abuse of human rights. We believe the rationale given for detention is flawed and the human and financial cost unacceptable. I commend this bill to the Senate.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

INTERNATIONAL FOETAL ALCOHOL SPECTRUM DISORDERS AWARENESS DAY

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.01 am)—I move:

That the Senate—

(a) notes that:
(i) 9 September 2006 is International Foetal Alcohol Spectrum Disorders Awareness Day, and  
(ii) there is no cure for foetal alcohol spectrum disorders (FASD) but they are 100 per cent preventable;  
(b) recognises that:
(i) those born with FASD have mild to profound, lifelong disabilities, usually intellectual developmental disorders, and  
(ii) early diagnosis can lead to better outcomes if services and programs are available to support children and families; and  
(c) calls on the Government to:
(i) promote awareness of the effects of prenatal exposure to alcohol through warning labels on all alcohol products,  
(ii) reconsider recommendations in the document, National clinical guidelines for the management of drug use during pregnancy, birth and the early development years of the newborn, in relation to alcohol consumption during pregnancy given the compelling international evidence that mothers who drink even small amounts of alcohol during pregnancy could unwittingly harm their unborn children,  
(iii) provide specific resources to help identify and support children who have FASD, and  
(iv) ensure that all newborns are screened for FASD.

Question negatived.

GROCERY CODE OF CONDUCT

Senator MILNE (Tasmania) (10.01 am)—I move:  
That the Senate—  
(a) notes that:  
(i) the Federal Coalition promised at the 2004 federal election to introduce within 100 days a mandatory code of conduct to govern dealings between farmers and grocery buyers, and  
(ii) on 4 September 2006, the National Farmers’ Federation and the Horticulture Australia Council stated that the delay in delivering on this pledge is fuelling speculation that the Government will renege on its promise; and  
(b) calls on the Minister for Agriculture, Fisheries and Forestry (Mr McGauran) to explain to the parliament why the Government has not implemented its promise and whether and when it intends to do so.

Question put:  
The Senate divided. [10.06 am]  
(The President—Senator the Hon. Paul Calvert)  

Ayes............ 35  
Noes............ 37  
Majority....... 2

AYES  

Allison, L.F.  Bartlett, A.J.J.  
Bishop, T.M.  Brown, B.J.  
Campbell, G.  Carr, K.J.  
Conroy, S.M.  Crossin, P.M.  
Evans, C.V.  Faulkner, J.P.  
Fielding, S.  Forshaw, M.G.  
Hogg, J.J.  Hurley, A.  
Hutchins, S.P.  Kirk, L.  
Ludwig, J.W.  Lundy, K.A.  
Marshall, G.  McEwen, A.  
McLucas, J.E.  Milne, C.  
Moore, C.  Murray, A.J.M.  
Nettle, K.  O’Brien, K.W.K.  
Polley, H.  Ray, R.F.  
Siewert, R.  Stephens, U.  
Sterle, G.  Stott Despoja, N.  
Webber, R.  Wong, P.  
Wortley, D.  

NOES  

Abetz, E.  Adams, J.  
Barnett, G.  Bernardi, C.  
Boswell, R.L.D.  Brandis, G.H.  
Calvert, P.H.  Campbell, I.G.  
Chapman, H.G.P.  Colbeck, R.  
Coonan, H.L.  Eggleston, A.
Senator MILNE (Tasmania) (10.08 am)—I move:

That, on National Threatened Species Day, the Senate—

(a) recognises that habitat destruction and fragmentation together with alien invasive species exacerbated by global warming are the main drivers of species extinction globally;

(b) notes that:

(i) since 1788, 52 plants and 55 animal species have gone to extinction in Australia including the Thylacine, which was last seen in Tasmania 70 years ago today, and

(ii) in 2006 there are 1,243 plants, 91 mammals, 107 birds, 52 reptiles, 27 frogs, 39 fishes and 22 invertebrates listed as either critically endangered, endangered, vulnerable or conservation dependent in Australia;

(c) expresses concern that only 21 per cent of nationally-listed threatened species have recovery plans, none of which any longer have implementation schedules or life of the project funding plans;

(d) calls on the Government to recognise that protection of threatened species under the Environment Protection and Biodiversity Conservation Act 1999 has failed and does not fulfil Australia’s obligations to protect threatened species under the Convention on Biological Diversity; and

(e) urges the Government to immediately develop and implement legislation that does protect threatened species.

Question put:

The Senate divided. [10.10 am]

(The President—Senator the Hon. Paul Calvert)

Ayes............ 30

Noes............ 41

Majority........ 11

AYES

Bishop, T.M. Brown, B.J.
Campbell, G.* Carr, K.J.
Conroy, S.M. Crossin, P.M.
Evans, C.V. Faulkner, J.P.
Forshaw, M.G. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Kirk, L. Ludwig, J.W.
Lundy, K.A. Marshall, G.
McEwen, A. McLaras, J.E.
Milne, C. Moore, C.
Nettle, K. O’Brien, K.W.K.
Polley, H. Ray, R.F.
Siewert, R. Stephens, U.
Sterle, G. Webber, R.
Wong, P. Wortley, D.

NOES

Abetz, E. Adams, J.
Allison, L.F. Barnett, G.
Bartlett, A.J.J. Bernardi, C.
Boswell, R.L.D. Brandis, G.H.
Calvert, P.H. Campbell, I.G.
Chapman, H.G.P. Colbeck, R.
Coonan, H.L. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Ferris, J.M. Fierravanti-Wells, C.
Fifield, M.P. Heffernan, W.
Humphries, G. Johnston, D.
Kemp, C.R. Lightfoot, P.R.
Macdonald, I. Macdonald, J.A.L.
Senator Bartlett—I will just indicate that the Democrats voted against that motion because we were not able to get it amended to correct the last two paragraphs.

**CHILD PROTECTION WEEK**

Senator BARTLETT (Queensland) (10.13 am)—I move:

That the Senate—

(a) notes that:

(i) the week beginning 3 September 2006 is Child Protection Week, and

(ii) there have been repeated, fundamental major failures by a number of child welfare agencies and others to protect children from serious abuse and neglect;

(b) urges the Federal Government to prioritise the encouragement of states and territories to develop uniform laws and strategies on child protection; and

(c) expresses support for child protection to be made a national priority and for all governments to urgently decide on ways to significantly reduce child abuse and neglect in Australia.

Question put:

The Senate divided. [10.14 am]

(The President—Senator the Hon. Paul Calvert)
IMPORTATION OF TIMBER AND
WOOD PRODUCTS FROM
SOUTH-EAST ASIA

Senator BARTLETT (Queensland)
(10.17 am)—I move:
That the Senate—
(a) notes that:
(i) alarming rates of deforestation are occurring in south east Asia and the Pacific region through illegal and unsustainable logging practices,
(ii) unsustainable management of natural resources will have long-term negative economic, environmental and social consequences for countries in which illegal logging is occurring,
(iii) illegal logging and associated trade in timber products contributes to corruption, money laundering, organised crime and human rights abuses, and threatens the viability of responsible companies that want to invest in sustainable forest practices,
(iv) there is a suspected presence of illegal timber from Papua New Guinea and Indonesia in Australia, and
(v) the Australian Government committed to addressing the problem at the 2004 election and has since reaffirmed this commitment; and
(b) calls on the Government to:
(i) develop a ‘test of legality’ for forest products to be imported into Australia and facilitate its voluntary application by importers, with the aim of stopping the importation of illegal timber into Australia; and, in the advent that voluntary compliance has not led to the halting of the importation of illegal timber within 3 to 5 years, agree to implement further mechanisms to achieve this end, and
(ii) work within Australia and other countries in the Asia-Pacific region to facilitate the wide-spread adoption of certified and sustainable forest management practices that would stand the scrutiny of internationally recognised forest certification schemes and the International Organization for Standardization, recognised by the United Nations.

Question agreed to.

NOTICES
Postponement

Senator NETTLE (New South Wales)
(10.17 am)—by leave—I move:
That general business notice of motion no. 528 standing in the name of Senator Nettle for today, relating to the detention of Palestinian parliamentarians, be postponed till Tuesday of next week.

Question agreed to.

SLOW FOOD MOVEMENT

Senator NETTLE (New South Wales)
(10.18 am)—I move:
That the Senate—
(a) congratulates the organisers of ‘A Taste of Slow—Australia 2006’, a ‘Slow Food’ festival culminating in the Abbotsford Convent Weekend in Victoria on the weekend of 9 and 10 September 2006 at the Collingwood Children’s Farm and Collingwood Farmers Market;
(b) notes:
(i) the fast growing international Slow Food Movement, which was founded not only as a response to the culture of fast food, but to encourage the use of local seasonal produce, to restore time-honoured methods of food production and preparation and to highlight the importance of sharing food at communal tables, and
(ii) that the Slow Food Movement encourages environmentally sustainable production, the ethical treatment of animals and social justice;
(c) recognises:
(i) the importance of family meal times for the emotional, cultural and physical health of our communities, and
(ii) the importance of promoting healthy food options in light of increasing...
community health concerns such as obesity, diabetes and related nutritionally linked disease;
(d) calls on the Government to take action to promote healthy food options; and
(e) notes, with concern, the pressures placed on family time due to the rapid rise in non-standard work hours.

Question negatived.

WOODSTOCK-ABYDOS RESERVES

Senator SIEWERT (Western Australia)
(10.18 am) — I move:
That the Senate—
(a) notes:
(i) the recent decision by the Western Australian Minister for Indigenous Affairs to vary the protection of the Woodstock-Abydos Reserves in the Pilbara, in order to accommodate the building of a railway by Fortescue Metals Group Limited, and
(ii) that the building of a railway on these reserves would impact on Aboriginal sites within the reserves; and
(b) expresses regret at the potential loss of Aboriginal heritage and urges a review of the decision to vary the protection of the Woodstock-Abydos Reserves.

Question put:
The Senate divided. [10.20 am]
(The President—Senator the Hon. Paul Calvert)

Ayes............. 7
Noes............. 57
Majority......... 50

* denotes teller

Question negatived.

COMMITTEES
Regulations and Ordinances Committee
Ministerial Correspondence

Senator WATSON (Tasmania) (10.24 am) — On behalf of the Standing Committee on Regulations and Ordinances, I present a volume of ministerial correspondence relating to the scrutiny of delegated legislation for the period December 2005 to June 2006.

EXPORT FINANCE AND INSURANCE CORPORATION AMENDMENT BILL 2006

Report of Foreign Affairs, Defence and Trade Legislation Committee

Senator SCULLION (Northern Territory) (10.24 am) — On behalf of Senator Johnston, I present the report of the Foreign Affairs, Defence and Trade Legislation Committee
on the provisions of the Export Finance and Insurance Corporation Amendment Bill 2006.

Ordered that the report be printed.

COMMITTEES
Rural and Regional Affairs and Transport
References Committee
Interim Report

Senator SIEWERT (Western Australia) (10.25 am)—I present the interim report of the Rural and Regional Affairs and Transport References Committee on its inquiry into Australia’s future oil supply and alternative transport fuels.

Ordered that the report be printed.

Senator SIEWERT—I seek leave to move a motion in relation to the report.

Leave granted.

Senator SIEWERT—I move:
That the Senate take note of the report.

As people know, the references committees are winding up. The committee felt that it was very important that we put our thoughts on record and record where we are up to in our inquiry. This is an extremely important issue and it was largely prompted by the question of whether Australia should be concerned about peak oil. Peak oil, in this case, refers to the fundamental geological reasons global conventional oil production will reach a peak and then start an irreversible decline soon enough to be of concern. In their arguments, proponents of peak oil commonly predict a peak somewhere between now and 2030. They suggest that this could cause serious economic hardship if mitigating action is not started soon enough.

There was a great deal of interest in this inquiry. I think part of that was prompted by the most recent oil prices and subsequent flow-on to petrol prices. We received 192 submissions, which we felt was a large number of submissions. The submissions were very comprehensive and they came from a broad section of stakeholders, including the petroleum industry, peak oil groups, various academic experts, government agencies from around Australia, the renewable energy industry, non-conventional oil industry representatives and local government. We held nine hearings around Australia. If it was not already clear in people’s minds, it became obvious during those hearings that this is an extremely complex area. There was a very large range of issues that were covered during our hearings.

I would say that most of the submissions we received generally agreed that peak oil was an issue; I think where they disagreed was the timing of it. We heard from peak oil proponents, who gave a very detailed critique of official estimates of the world’s future oil supplies. I might add that everybody agreed that Australia’s oil supplies were declining. There was much more debate around how rapidly global oil supplies were declining. But the peak oil proponents actually dealt with these arguments in a lot of detail, as is articulated in the report, and the committee felt they had very plausible arguments. The committee, however, is not aware of any official agency publications which attempt to rebut the peak oil arguments point by point in similar detail. In other words, the committee received a lot of information critiquing the figures of the oil industry, in particular, on global oil supplies but there were not similar arguments from the reverse perspective.

In the committee’s view, the possibility of a peak of conventional oil production before 2030—even if it is no more than a possibility—should be a matter of concern. Exactly when it occurs—which, it points out, is very uncertain—is not the important point. The committee feels that Australia should be planning for it now, as Sweden has with its
plan to be oil free by 2020. The committee also felt that it is clear that gas should be carefully looked at and that there was a need for longer term planning. As was aired in the media, there was a lot of criticism of ABARE's predictions on oil prices and our reserves. Their predictions came in for a great deal of criticism in, I think, virtually every hearing that was held.

The range of issues that the committee considered was extensive. We were asked to look in particular at Australia's oil vulnerability and we looked at issues at a national, international, state and local level. We looked at our cities' vulnerability to oil depletion. We looked at agriculture, and agriculture is particularly vulnerable. We received a lot of submissions on that. We also looked at the impact on, in particular, people living on the outskirts or in our inner urban fringes. We looked at the economic and social impacts. We particularly noted the convergence between the issues of peak oil and climate change and felt that any solutions that we reach for peak oil also needed to be reached for climate change.

The committee looked at issues around oil demand and oil supply. Of course, propositions were put to us that Australia needs to increase its oil exploration activity. While the committee felt that it remains to be seen whether the government initiatives will have a significant effect on oil activity, they pointed out that, if significant reserves are found, extraction of the oil from these new sources, which are likely to be in deep water, would come at a much higher cost. So, in fact, they might not address the issue of oil prices, which we were asked to address. In fact, oil prices would continue to rise if new resources were found.

As to whether the appropriate level of resources was being allocated by government and corporations to explore for more oil, there was a question about whether those resources should in fact be redirected to look at other alternative sources of fuel. The committee have not yet reached a conclusion, but we did note that the costs and benefits of more exploration must be assessed against the costs and benefits of other options to reduce our oil dependence. The committee felt that they are significant issues that need to be addressed and that will continue, I hope, to be addressed in the final report.

The issue of biofuels came up and we heard a lot of evidence from people working on biofuels and looking at the various options, whether they be from waste or grain, for ethanol and biodiesel. Again, we heard a lot from the agricultural industry on these areas and we also heard about the promise of lignocellulose in providing a more sustainable long-term source for biofuels.

We heard that there does not seem at present to be an overall approach or national approach being taken to the issue of peak oil and oil depletion. The committee felt that that was an area that needed to be looked at. We also looked at the areas of energy efficiency, conservation and public transport. Again, those were areas that we heard a lot about. We made a number of comments further on in the report about where we need to be looking in the future with respect to the committee process. A lot of concern was expressed to us about the lack of public transport services in many of our cities. I add a bit of home-grown parochialism here—that is, many of the submissions to the committee praised Western Australia, Perth in particular, for its foresight in providing the excellent train system that we have in Perth. I think it is fair to say that we heard people around Australia commenting on that, but people expressed concern that in other cities the public transport system at this stage would not be up to meeting increased demand for
services if people made a sudden switch from private vehicles to public transport.

Another issue that came up very strongly was, as I said, how peak oil intersects with climate change and also how the cost of carbon in the future needs to be taken into consideration. The committee have not reached a conclusion on that. We made some comments on that, but it is certainly an area which has been flagged for future work and which needs to be taken into consideration in future options.

Those are some of the issues that the committee highlighted. I am sure my colleagues on the committee will raise other issues. I believe it was an extremely important area of inquiry, and I look forward to seeing the final committee report.

Senator O'BRIEN (Tasmania) (10.35 am)—It is a very important inquiry that the Senate Rural and Regional Affairs and Transport References Committee has been conducting. It is an inquiry that has attracted quite a deal of attention and has canvassed a range of issues to do with the propulsion of the Australian public in the future in various vehicular modes and what will happen with the fuelling systems that are needed to continue that. It is regrettable that the government’s concertinaing of the Senate system has forced the committee, which has been looking at this report, to provide an interim report before the inquiry had time to fully consider all the ramifications of the submissions before it. That is because the government has a majority in this place and has decided that it wants to take complete and utter control not only of the Senate but also of the committee system, and that it could not tolerate the fact that there were committees of this Senate that were chaired by persons other than members of the coalition.

We have seen an important inquiry effectively concertinaed, and we have seen the committee forced to present an interim report. What does that mean? It means that there may or may not be a full consideration of this matter, and there may or may not be a continuation of the deliberations of the committee—depending upon the structuring of committees that results from the considerations currently taking place. The committee structure may or may not be torn up and a new one put in its place and different issues placed with different committees. I understand there is some talk of the transport section of this committee being moved to another committee, which I must say concerns me.

This report in its draft form reached members of the committee earlier this week, and for that reason it has been given as much attention as possible in that very limited time. In a general sense, it has the support of the opposition. But we are not in a position to rewrite sections of the report as we might have wished them to be. I direct no criticism at the secretariat or the chair of the committee for the situation that we find ourselves in. As I say, this is an action forced upon this committee by the actions of the government, acting in their own interests and not in the interests of the Senate or in the interests of this committee.

I will quibble with one of the passages in the report, the last passage in the report talking about the future for hydrogen as a replacement fuel for oil. The committee report suggests that that fuel might be considered in the distant future but is not a useful option to consider in Australia’s ‘current or medium-term transport fuels mix’. I am not sure what ‘medium-term’ means in that context. We had evidence from Hydro Tasmania of a proposal for a project which they were not able to proceed with, with assistance from the Low Emissions Technology Development Fund, because of the limitations of funding available under that fund for what would
have been, in my opinion, a very useful project to develop an understanding of just how useful hydrogen would be. On 30 June this year, evidence from Mr Titchen on behalf of Hydro Tasmania outlined the nature of a project that was being considered to be run in the state of Tasmania that involved a small fleet of buses, a fleet of approximately 200 vehicles, and a number of refuelling stations involving hybrid hydrogen-electric technology. I know there are hydrogen buses operating in, I think, Perth at the moment, but this would be a very useful project for this country.

Tasmania has a renewable energy system, with wind and hydro power overwhelmingly providing the energy resource for the state. The generation of hydrogen to fuel those vehicles would be a completely renewable resource and, of course, the development of a technology involving electric and hydrogen fuelled vehicles with no emissions would be a very useful study for this country. But, unfortunately, what was seen to be a $60-plus million project could only receive $20 million in funding from the Commonwealth, from the Low Emissions Technology Development Fund. It is not unsurprising that Hydro Tasmania decided that the risk to Hydro Tasmania—for a very limited return, one must say—given an investment of in excess of $40 million, while the Commonwealth would only put $20 million towards the project, was high. That meant that the board of Hydro Tasmania decided it was not appropriate for them to continue to pursue such an application. While levelling no criticism at them for making that commercial decision, it is regrettable in terms of the national interest that we are not able to pursue that.

Some people might say that it is all very well for Tasmania to talk about renewably generating hydrogen given the energy sources that are used in Tasmania. But it surprises me that no-one is connecting the vast development of wind farms in this country to the potential for the use of renewable energy in the generation of hydrogen for vehicle use right around this country. Certainly wind and solar power create some such options right around this country. But there seems to be a blinkered approach by this government to wind power. We have even seen the Minister for Agriculture, Fisheries and Forestry rail against wind farms in a quite unseemly fashion, almost, in my opinion, depicting himself as somewhat of a troglodyte in terms of the development of new technologies. There is no doubt that in Europe wind power is a very important energy source. It is being used to replace fossil fuels. It is being used to generate clean energy in the Northern Hemisphere.

We have similar opportunities here. We do have a lot of coal, but coal is a major source of CO₂ emissions. We cannot ignore the evidence of global warming, which grows daily. The findings from that ice core that was reported earlier this week, showing that the level of carbon emissions in the last 100 years has exceeded those of the thousands of years before it, should be telling us that we need to make some changes in the fuel use that we have so that we do not impose upon this world enormous climate changes which, I should not have to tell the Minister for Agriculture, Fisheries and Forestry, will have a devastating effect on agriculture in this country.

We are talking about drought in south-eastern Australia at the moment. We have seen repeated drought circumstances in south-eastern Australia over the last decade. But here we have the responsible minister railing against one of the technologies which can contribute to the reduction of CO₂ emissions, the reduction in greenhouse gases, so we can try and do something about climate change. But this government has no intention of doing anything about climate change; this government is content to sit back on its
haunches and let things go wrong and hope—and, frankly, that is not good enough. This report starts to address some of the issues. Perhaps we will do some more after this report has been handed down. I am not going to hold my breath. We need to look very closely at these issues and we need to make sure that we have a government which looks at all of the issues and makes sure that this country proceeds down the path of alternative fuels, because we are going to need them.

Senator MILNE (Tasmania) (10.45 am)—I rise to comment on the interim report of the Rural and Regional Affairs and Transport References Committee inquiry into Australia’s future oil supply and alternative transport fuels. I am absolutely delighted with the way this inquiry has proceeded. When I moved for this inquiry last year it was because, from the minute I got into the Senate, it was apparent to me that no thinking is going on at the highest levels of government about the fact that the world is facing a convergence of two megaproblems that we have not faced before: global warming—climate change—and oil depletion. We are facing these problems at the same time and there is absolutely no thinking going on in Australia about how we take on our global responsibilities, mitigate climate change to stop it from getting worse, adapt to climate change and, at the same time, adapt to oil depletion.

I moved for this Senate inquiry to get some thinking going on Australia’s future oil supply—where we are going to get our transport fuels from—and to make sure that, in thinking about alternatives, we do not make the greenhouse gas problem, the global warming problem, worse. We moved for this inquiry, and I am delighted that it was supported in this chamber. We have had 192 submissions. I would argue that the inquiry has raised a great deal of interest in the Australian community about what is going to happen in Australia in the future.

It is timely to recognise that, on Geoscience Australia’s figures, over the next 20 years Australia’s self-sufficiency in oil and petroleum will decline from 84 per cent to 20 per cent. I would argue that that is a very optimistic figure. Globally, we are facing the end of the age of cheap, plentiful and easily accessible oil. Australia’s self-sufficiency in oil is running down at a very fast rate. That means Australia will have to import oil and be subjected to higher and higher global oil prices.

Those who believe in the operation of the free market, including some of the agencies that came before the inquiry, say: ‘That’s all right. Australia will just buy oil on the international market.’ ABARE argues that we can just go out and buy oil, at whatever high price, and that it is not going to make much difference to us, because we will also be exporting energy in the form of gas, and the high prices we will be getting for it will offset the high price we have to pay for oil. This argument takes no account of the depleted global supply and the fact that Australia is busy selling off our major transition transport fuel—gas—to China and other places on long-term contracts. That is why the Premier of Western Australia has moved to establish a gas reserve. I am delighted that the committee has decided that Australia should have a national gas reserve.

The other thing that came out very clearly is that there is no thinking at the highest levels of government about the need to reduce our dependence on oil. Sweden moved for an oil commission tasked with finding out how Sweden could reduce its exposure to world prices in the future and, at the same time, reduce greenhouse emissions. They came up with a plan to make Sweden oil free by 2020. Whether or not they achieve that is not the
point. The point is that, by establishing that goal, they are now investing in a whole lot of alternative technologies that might get them there.

In Australia, what we have found from talking to a number of people who have come before the inquiry is that all this talk about trying to have just a marginal change in the price of petrol does not address the fact that we need to redesign Australian cities to make them less car dependent. We have to invest heavily in public transport—that was an overwhelming response from the inquiry. We need more bicycle lanes and much better public transport, not only to make us less car dependent but also to address obesity. There are lots of issues this would address. It would reduce city congestion, improve air quality, improve the health of Australians and make our cities more livable and efficient. If Sydney and Melbourne want to be regarded globally as competitive international cities, they are going to have to have much better public transport than they currently have.

A social justice issue that emerged very clearly is that the poorest people generally live furthest from the centre of the city in the areas least well served by public transport. The upshot is that those people are going to suffer the double whammy of higher interest rates and higher petrol prices—and they often have the oldest and least fuel-efficient vehicles; that has been mapped quite clearly. That is why we need to be thinking about redesigning cities.

I must say that my colleague from Western Australia, Senator Siewert, the chair of the committee, was not expressing a bias when she said there was overwhelming evidence congratulating Western Australia. Western Australia came out of this inquiry very well, because it has seriously started to address these issues. That is because Western Australia has a vibrant NGO sector, which is looking at transport issues, an engaged academic sector and a state government that is prepared to listen. Western Australia has invested heavily, without Commonwealth help, in public transport—the railway system in Perth. At the same time, they have invested heavily in alternative fuels—and I congratulate them for that.

We need a combined effort. We need to reduce our oil dependency by investing in public transport and redesigning our cities. At the same time, we need to have vehicles that are more fuel efficient—and mandatory fuel efficiency standards are an absolutely sensible option. Another strand to this is that we need to invest heavily in alternative fuels.

If you look at the Australian car fleet, you find that Holden and Ford are becoming increasingly uncompetitive. If you look at the private vehicle fleet, you find that people have moved to smaller, fuel-efficient vehicles. It is the fleets that are using Holden and Ford—the big six-cylinder vehicles—because the drivers are not paying for the fuel; it is on the fleet.

One thing that came up very strongly was that we need to get rid of the fringe benefits tax, which encourages people to use their vehicles more. One of the recommendations has been that we should look at a way of using concessionary approaches to assist employers to make available public transport options instead of the fringe benefits tax.

Another clear thing that came out of this concerned the role of ABARE. I think that all the evidence we have before us shows that they are out on their own. Nobody takes them seriously anymore, except the government. It would be laughable—and people did laugh about ABARE’s predictions about future oil prices—if it were not so serious. But the tragedy for Australia is that ABARE advises government and that advice is the basis on which AusLink makes its predictions.
about interstate transport. As a result, they are building more and more freeways instead of getting into upgrading the railway network and the internodal transport connections that we need. It is a tragedy for this country that they have got it so wrong. And why have they got it so wrong? Because they are relying on going to coal to liquids. They are saying: ‘There’s no problem. If we run out of oil, we’ve got plenty of coal; we’ll just liquefy coal.’

The point I made at the beginning, and which I return to now, is that coal to liquids is not an option for Australia if you are serious about addressing global warming. In this inquiry it came out very strongly that, to achieve even exactly the same oil emissions as we have now from coal to liquids, you have to have geosequestration. So, in other words, we have to spend millions on geosequestration to achieve tailpipe emissions from coal to liquids exactly the same as those from conventional oil. That is not acceptable.

We should be investing in ethanol, particularly lignocellulose. That, again, is where Western Australia is leading the way. I would argue—and this is not a committee recommendation but it certainly came out of the evidence as far as I am concerned—that we should switch all of the investment we are currently putting into coal to liquids across to lignocellulose. That would have the benefit of improving salinity and biodiversity. If you went with the mallee, as they have done in Western Australia, you would get the biodiversity and the salinity outcomes you want, you would produce an oil which could be used to make biodiesel and you would have a biomass which could then be converted, via lignocellulose, to ethanol. Going down that path would be a fantastic option for Australia, which would have many benefits. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Rural and Regional Affairs and Transport References Committee
Interim Report

Senator SIEWERT (Western Australia) (10.55 am)—I present an interim report on the Rural and Regional Affairs and Transport References Committee’s inquiry into water policy initiatives, together with a document presented to the committee.

Ordered that the report be printed.

Senator SIEWERT—I seek leave to move a motion in relation to the report.

Leave granted.

Senator SIEWERT—I move:

That the Senate take note of the report.

Once again, because the references committee is about to come to an end, the committee felt it was important that we report progress in our inquiry. We have been extremely busy with both the water and the oil inquiry. I would like to talk about where we have got to in our ongoing inquiry and some of the issues that have been raised to date. The committee has received 59 submissions to date and has held three hearings: in Canberra; in Toowoomba, four days after the well-known vote; and in Canberra again just a few weeks ago, taking evidence via teleconference from Perth. During the period of the inquiry, the level of public concern about the security of our water resources has increased and is becoming increasingly apparent. The issue is featuring in the media on virtually a daily basis and we are seeing increasing conflict over water issues.

This interim report focuses on the major issues arising from the hearings and the submissions. It is very clear that there is strong community concern over the issues of reduced rainfall, overallocation, and water
security. Because the development of the National Water Initiative and the grants going out are at an early stage, the evidence received on the effectiveness of these policy initiatives under the initiative has been limited. But we see this issue as being an important focus in the future for this inquiry.

Rural versus urban usage has emerged as a major issue of concern, suggesting that unless these issues are dealt with effectively they will lead to increased bad feelings between growers and city folk. Managing our water resources is a difficult balancing act. We are a growing nation living on a dry continent with extremely variable weather patterns. Recent years have brought water supply security problems to a number of our cities, agricultural industries and major rural centres. The challenge for policy makers is how to best balance competing demands for a limited and precious resource in a manner that ensures the sustainability of the resource; equity among competing users; predictability and security of supply for our industries, towns and cities; and still guarantees the survival of our environment.

The issue is made more difficult by the complexity and uncertainty of the science of assessing the resource and predicting the impacts of drought and increased climate variability. Ultimately, we need to be able to make good decisions, ones that can guide us safely into an uncertain future, on the basis of incomplete information. In this context, we need to give serious consideration to the implications that this could have for our agricultural industries, our economy, the sustainability and limits to growth of our cities and the preservation of our environmental assets. We need to develop adaptive management options that allow us to respond to likely rainfall, run-off and evapotranspiration scenarios in a timely and effective manner. While there is inherently some uncertainty involved in predicting the likely impacts of these changes, there is very little point in disputing the exact numbers when there is a pressing need to make management decisions to avoid catastrophic outcomes.

When it comes to the impacts of climate variability and climate change on water resources in WA, the change in Perth’s dams is so starkly evident that no-one is arguing the impacts. All stakeholders acknowledge that the situation is serious. We received evidence
from Dr Jim Gill, the CEO of the Water Corporation of Western Australia. He told the committee:

... there has been a phenomenal shift of climate and weather in the south of WA and it does appear to be unique worldwide ... there seems to be no other place that is drying quite as fast as the south of Western Australia ... We have had to cope with that over the last 10 years. It has been a trend, we now know with the best of hindsight, for about 30 years ... for the last eight or nine years the rainfall has been down by about 21 per cent on what it was up until 1974, and the run-off has been down by 64 per cent. Actually now it is becoming clear that for the last four or five years, since 2001, we seem to be down still further.

The concern that a relatively small decrease in rainfall can result in a much larger reduction in stream run-off was reiterated by Professor Michael Young, who told the committee:

... a rule of thumb ... if you have a decline in rainfall, normally the decline in water available for use is roughly twice the reduction in rainfall ... A 15 per cent reduction in rainfall, which is what a lot of people are talking about, means a 30 per cent reduction in yield.

The CSIRO, in its latest analysis of the risks to the shared water resources of the Murray-Darling Basin, in 2006, suggested that the implications of climate change for the basin are likely to be significant. They documented reductions in rainfall.

The dam levels in all our capital cities and major rural centres have been dropping. It presents a challenging picture. Brisbane has 28 per cent capacity in the dams, Perth is down to less than 30 per cent capacity, Sydney has 41 per cent and it is dwindling, Canberra has 49 per cent, Melbourne has 47 per cent and Adelaide has 54 per cent. The committee is concerned that the potential impacts of climate change may not have been significantly factored into water entitlements and management plans. Essentially, it could affect them significantly.

The issue of water recycling was a hot topic, particularly when we were in Toowoomba. Australia has a poor record in the use of recycled water in comparison to international standards. Given the sustainability limits on Australia’s supplies, together with increasing demand as our nation grows, it is inevitable that we will have to embrace water recycling on a much larger scale. We should stick to the principle of using the highest quality water for the highest value use and be creative about how we use substitution of recycled water, at a standard that is fit for purpose. Public education on these issues is also significant. That was the point made by the Mayor of Toowoomba when we heard evidence there. She felt that there needed to be a much stronger public education campaign. She said that, in her opinion, three to four years were needed to educate the public about the scientific aspects of the decisions. It is ironic that the legitimate public concerns about the safety of their water ultimately led to people in Toowoomba rejecting a water source that is cleaner than their current supply.

Then we came to the issue of water allocation. We had a lot of submissions about water allocation in some systems in Australia. The impacts of reduced rainfall on the viability of growers are going to make it an even more important issue. We face four major challenges in Australia when we deal with water allocation: how to develop a uniform system to water entitlements and trade across state and territory borders; how we can reform already overallocated systems in a manner that is just and equitable; how we can best manage allocation of water to the environment; and how we can account for the impacts of climate variability, reduced rainfall and increased evapotranspiration on water availability within these systems. Over a third of submissions dealt with the vexed issue of those living downstream who were...
suffering the consequences of overallocation in the water licensing systems. These are significant issues that the committee will continue to look at and will hopefully come up with some recommendations.

We looked at river protection. Many of the river systems in southern Australia, as many people know, are already degraded and suffer from excessive demands of both water extraction and, of course, drought. We also heard evidence that Australia’s northern rivers are still in very good condition, but, of course, eyes are turning north, and we heard some evidence about that. Various submissions to the committee called on governments to grant special protection to those rivers that are still in relatively pristine condition. In conclusion, these issues are extremely complex and difficult to deal with.

(Time expired)

Senator STEPHENS (New South Wales) (11.06 am)—I want to speak briefly to this interim report of the Senate Rural and Regional Affairs and Transport References Committee on water policy initiatives. I begin by saying that, since this inquiry began, water has become one of the most hotly discussed topics in Australia. It has been a quite beneficial process for those involved in the inquiry to have such a level of public debate about the vexed issue of securing Australia’s water supply. I congratulate the chair, Senator Siewert, for her great competence in dealing with this vexed issue. We had a few tetchy hearings, some witnesses who were aggrieved and certainly very conflicting evidence to the inquiry, but we seemed to be able to get through some of those issues. The report pays testament to the calm approach that Senator Siewert provided for the inquiry. The report raises the very important issues that we are all confronting and will continue to confront under the new committee arrangements when they come into place.

As Senator Siewert said, ‘Managing our water resources is an extraordinarily difficult balancing act.’ Our nation is a dry continent. We are now experiencing extraordinarily variable rainfall patterns and we are now seeing quite significant water supply security problems in many of our cities, our agricultural industries and our major regional centres. Addressing Australia’s water crisis is an urgent task. It requires leadership and action from all levels of government, particularly from the Commonwealth government.

As a nation, until now, until this suddenly became a pressing issue, we have never really valued water in the way we should. Our water supplies have been taken for granted. They have been undervalued, they have been overallocated and they have been misdirected—and we heard plenty of evidence about that during the inquiry. At the same time, our population has grown and so too has competition for water from the agricultural sector, from urban development, from industry and from the mining sector. And we received plenty of scientific evidence and evidence from our farmers and the agricultural sector that the health of our water supplies and the environment have suffered, and, in fact, that we have been squandering the water resources of the nation.

But nobody who has been involved in the inquiry has failed to notice just how great the level of public concern is about how the lack of rainfall will affect the security of our water resources. It is certainly a significant policy challenge for us at state and Commonwealth levels. Whether the reason is a lack of rainfall, be it drought or permanent climate change, as is the case in south Western Australia—the evidence there was compelling, and the initiatives taken by the Western Australian government to deal with it were compelling and quite reassuring—it is having a severe impact on water resources.
We have an extraordinarily poor record on water recycling compared to many other Western countries, and we received significant evidence on that. That is really where I would like to concentrate my comments about the inquiry—how prominent the issue of water recycling has become. We heard evidence about Israel recycling 70 per cent of its water, yet Australia’s record is so poor. But we were able to get some evidence about the commitment and the change in attitude from state and Commonwealth governments that are thinking about the recycling issue.

Having heard what is happening in Western Australia—and there are significant efforts going on in Western Australia to address the issue of recycling—I was very pleased to see that in New South Wales, my home state, the government has also committed to increasing the current level of recycling by more than fourfold, from the current 15 billion litres a year to 70 billion litres a year by 2015. The establishment of the Water Savings Fund, which is $130 million over four years, has contributed $26.2 million to councils and businesses for water recycling projects. We have a series of state based initiatives, not just in New South Wales—that is my home state and I wanted to acknowledge the initiatives there—which are actually grappling with the issue of recycling. Of course, in my hometown of Goulburn that is an issue that we have been following very closely. We need to do very serious work there.

As Senator Siewert said, we heard about the issue of recycling in Toowoomba. Queensland’s largest inland city is in danger of running out of water within 18 months if it does not receive good rain over its catchments. We were fascinated by the referendum that occurred there and how the debate around the positions for and against recycling took place in the public domain, and how that affected the vote on the day. On the one hand, the fact that there was exposure to the Toowoomba referendum escalated public awareness about the recycling issue. On the other hand, it actually generated quite significant discussion of options other than recycling.

For all of us, the recycling issue is something that we will have to confront. If we do not, our world is going to change dramatically in a short period of time. The committee believe that water recycling should be a priority. It is cost-effective, it uses less energy than alternatives and it has minimal waste. We heard from Mr Ken Matthews, Chair of the National Water Commission. Mr Matthews also sees water recycling as one of the key policy areas that needs to be addressed by the National Water Initiative. As Senator Siewert said, the National Water Initiative has not really been in place long enough for us to be able to evaluate the outcomes of some of the initiatives that are part of that. Some of them will take a long time to deliver outcomes. Mr Matthews had this to say to the committee—and I thought it was very wise advice:

There is a need for more widespread and objective consideration (of water recycling) across Australia. Surely Australia, as the driest inhabited continent in the world, should be an early adopter of a new and cost-effective recycling technologies that are now becoming available.

Certainly, a Beazley Labor government will take action to ensure Australia’s towns and cities have a sustainable water supply. Labor actually has a plan for recycling. It has four elements: to set a national target of 30 per cent of waste water being recycled by 2015; to develop consistent, comprehensive national guidelines for water recycling; to provide the leadership, support and investment necessary to achieve the 30 per cent recycling target; and to encourage innovation and new technological solutions to deliver a sustainable water supply for Australia. We expect that greater use of recycled water by
industry and agriculture will free up valuable drinking water and help to increase environmental water flows, which was such a significant part of the evidence the committee received in the inquiry.

Labor’s position certainly is that governments must work together to build confidence in water recycling by establishing national guidelines for its use, and we must build the infrastructure we need to reuse water. COAG is working on guidelines for water recycling, but overall Australia’s water recycling guidelines remain inadequate. Australia needs consistent and comprehensive national benchmarks and guidelines for water recycling which acknowledge different needs and circumstances, which ensure water infrastructure is maintained and which apply strong, consistent and high standards. Labor is developing such guidelines in consultation with state governments, water experts and Australia’s water users: farmers, businesses and households; and city and country consumers.

Over the past 10 years, the Howard government has done nothing to address the ongoing problems of salinity. Quite desperate evidence was provided to the committee about the impacts of climate change and growing water shortages. We need to prioritise water policy and show real leadership in water management. In the next phase of this inquiry we are looking to address those critical issues. We know that this is a challenge that needs responsible leadership and I look forward to participating in making some of the hard decisions.

Senator BARTLETT (Queensland) (11.15 am)—I want to take the opportunity to speak briefly on this interim report. Because of my responsibilities on other committees, including being Chair of the Senate Environment, Communications, Information Technology and the Arts References Committee, I have not been able to involve myself directly in this inquiry beyond reading some of the Hansards and submissions. Today is my last sitting day in the role of chair, so perhaps I will have more time and be able to involve myself a little bit more fully in this inquiry, because it is a very important issue.

On the same theme, I take the opportunity to note that it is the final sitting day of Senator Siewert as Chair of the Senate Rural and Regional Affairs References Committee. Her chairing of this committee in the time that she has done so has been an example—among many, I might say—of how having non-government senators chairing committees does not mean that you get a barrage of nasty, malevolent Senate committee reports coming down, deliberately undermining and working against the government of the day. There are many examples of Senate committees chaired by non-government senators, Senator Siewert amongst them, able to produce very comprehensive and balanced reports and run very balanced inquiries across party lines. I think that it is appropriate to mark the contribution of Senator Siewert as chair of this particular committee. Even in the relatively short time she has been in that position she has clearly shown that non-government chairs—even, God forbid, from the crossbenches!—can allow Senate committee inquiries to run effectively. I would suggest that in many cases they are able to run more effectively as cross-party non-partisan inquiries. Be that as it may, the government takeover of all the Senate committees starts from next week, so we will see what happens.

The City of Toowoomba in my home state of Queensland was mentioned by both the previous speakers. A hearing was held in that city just after the referendum into water recycling. I want to take the opportunity to pay tribute to the Toowoomba City Council and
staff, and particularly Mayor Di Thorley, for their courage in pushing the need to address the chronic water problems that Toowoomba faces and looking at it in a balanced way, considering all the options and going with the one that provided the best option for Toowoomba. Clearly, it was not the best option politically for the Toowoomba City Council but it was the best option in my view, having looked at it fairly closely, for the people of Toowoomba.

One clear example from the Toowoomba referendum is that to make such changes there needs to be wide-ranging support and the removal of partisanship from an issue in order to make the hard decisions that are needed. Unlike some people, I do not criticise the people of Toowoomba as being somehow conservative country hicks who do not understand a good idea when it is put in front of them. It was understandable that the people were apprehensive. In some of the campaigning that I did in Toowoomba about it and in responses I got to pieces I put on my website, one of the key reasons people were apprehensive was: if it is so good, how come it is just Toowoomba? Why isn’t the rest of south-east Queensland doing it? Why are we being singled out and why do we have to have a referendum?

What is often not commonly recognised is that the referendum was forced on the Toowoomba City Council and the people of Toowoomba by the federal government in an extremely rare example of a federal government grant to a local government body being contingent upon the holding of a referendum in that local government area. It is extremely unusual, and that alone, I think, was enough to make people wonder what was going on. The contribution of the state Labor government, particularly Premier Peter Beattie in taking a different position every second day of the week and repeatedly using terms like the ‘Armageddon option’ when it came to water recycling, obviously did not soothe people’s concerns with regard to water recycling.

It is not just Queensland, of course. I heard Senator Stephens mention her hometown of Goulburn, which has very serious water problems and is considering an approach very similar to that of Toowoomba. I certainly support them in doing so. I do not know whether they will be required to be subjected to a referendum—I would hope not. These are the sorts of decisions that councils and governments are meant to take and, as long as the process is open and transparent, as it was in Toowoomba, then it is an appropriate decision for such bodies to make. I point to the New South Wales government example and regular statements by the relevant minister, Mr Sartor, saying that they could not have water recycling for potable use because the public would not wear it. If you could ever get a perfect definition of a lack of backbone, that is it. Unfortunately, that is what our country is suffering from in this area: easy decisions are being made when hard decisions are needed.

It is often said that we live on the driest inhabited continent on earth, and that is true in a literal sense, but we should not forget that per capita that is not true. Per capita there are many other places that have far less water available per person. The reality is that we cannot just keep saying that our water shortages exist just because we live on the driest continent on earth. It is because we are extraordinarily wasteful with our water, as this inquiry is showing. Indeed, previous Senate inquiries have shown it. I would point to a previous Senate inquiry on water issues by the Senate environment committee which clearly showed how wasteful we are. That is a responsibility that all of us have to take on and that governments at various levels have to seek to confront. When you combine our historical approach of being extraordinarily
wasteful with the growing problem of climate change and more variable rainfall patterns, these difficulties are going to be compounded—and they are already being compounded—unless we have significant change. That does mean confronting some of those difficult decisions. That is why we need to try to keep these issues as nonpartisan as possible and based as much as possible on sound policy decision making and the science involved.

Senator Siewert referred a bit to that and also to looking again at various industries. I think we will need to look further at which industries, agricultural and other, can change their practices to reduce waste. There are certainly massive gains that can still be made there. Also, we should be looking more at which of those industries use up more water and making some decisions based a bit more on those sorts of things. Pricing mechanisms are clearly one way of addressing that, as is greater consumer awareness. I think we could do with a lot more of that. A fair few people are now aware of the enormous amount of water used in cotton production, for example, but a lot of people are not aware of the enormous amounts of water used in various foods. I would have to point out that meat is one example. It consumes a lot more water than many other foods. If some of that information were made more directly available to consumers, it might influence their choices.

Given that the Queensland election is in a couple of days time, I want to re-emphasise that, in my view, whilst there are a range of solutions to the water crisis—and clearly recycling is a key one, although it is not the only one—I do not think there is a lot of evidence around that megadams are the solution. People have said that the Queensland election is going to be all about water. Unfortunately, I am not sure that it has panned out that way in terms of genuine, useful, constructive and wide-ranging public debate about water options.

I certainly want to put on the record again my strong opposition to the Traveston Dam on the Mary River. It is going to be incredibly expensive and it is highly unlikely to produce the sort of water volume that is desired. South-east Queensland is already littered with a number of dams that could only be described as failed dams. Adding one more at great expense and with immense social harm to the people of the region—let alone the environmental damage—is a real problem. I take the opportunity to mention it while the Minister for the Environment and Heritage is in the chamber. I know it is not appropriate for him to take a position on the dam yet, but I certainly would urge him to ensure that there is a full public inquiry into at least the relevant aspects under the EPBC Act with regard to that dam.

There was one comment that Senator Siewert made that I do not think was quite accurate. She suggested that the Howard government have done nothing about salinity. I think they quite clearly have done a lot about salinity. As a Senate environment committee report recently showed, there is certainly more that can be done. But we do need to recognise what has been done and build on it rather than continually suggest that we are starting from scratch. I think this inquiry is doing that. I hope to get more involved in it now that I am no longer chair of a different committee. I seek leave to continue my remarks.

Leave granted; debate adjourned.

CHILD PROTECTION WEEK
Recommittal

Senator BARTLETT (Queensland) (11.25 am)—There have been negotiations on general business notice of motion No. 509 which was put earlier this morning. I seek
leave to have the motion resubmitted to the Senate.

Leave granted.

Senator BARTLETT—I seek leave to amend the motion.

Leave granted.

Senator BARTLETT—I move the motion as amended.

That the Senate—

(a) notes that:

(i) the week beginning 3 September 2006 is Child Protection Week, and

(ii) there have been repeated, fundamental major failures by those agencies charged with protection of children from serious abuse and neglect;

(b) urges the Federal Government to prioritise the encouragement of states and territories to develop uniform laws and strategies on child protection; and

(c) expresses support for child protection to be made a national priority and for all governments to urgently decide on ways to significantly reduce child abuse and neglect in Australia.

Question agreed to.

PROTECTION OF THE SEA (HARMFUL ANTI-FOULING SYSTEMS) BILL 2006

First Reading

Bill received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Minister for the Environment and Heritage) (11.27 am)—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 IAN CAMPBELL (Western Australia—Minister for the Environment and Heritage) (11.27 am)—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—

PROTECTION OF THE SEA (HARMFUL ANTI-FOULING SYSTEMS) BILL 2006

This bill implements domestically a significant international initiative to protect the marine environment.

In order for ships to travel through water efficiently, the ship’s hull must be clean of marine growth, such as barnacles and algae. The build up of unwanted marine organisms is prevented by applying anti-fouling paint to the hulls of ships. In the 1970s anti-fouling paints containing chemical compounds known as organotins were developed, and at that time were considered environmentally safe.

Subsequently it was found that these compounds had an adverse effect on the marine environment and human health.

These compounds are effective anti-foulants because they leach into the water, killing barnacles and other marine life that have attached to the ship. However, studies have since shown that these compounds persist in the water, killing sea life, harming the environment and entering the food chain. One of the most effective and commonly used organotin anti-fouling paints is TBT (or tributyltin). TBT is arguably the most toxic compound to be intentionally introduced into the marine environment, and has been proven to cause deformities in oysters and sex changes in whelks (a marine spiral-shelled gastropod mollusc used as food).

These findings have caused concern about the potential impact of TBT and other organotin based anti-fouling compounds on humans who consume large quantities of seafood. While there is evidence that some localised measures may have helped reduce the levels of pollution by or-
ganotin compounds in many areas, the harmful effects of these paints are still being detected around the world’s oceans.

Consequently, many governments have recognised that a mechanism is required to regulate the harmful effects of TBT used on international trading ships. It has been agreed that the only way to avoid global and regional pollution by organotin compounds is to implement a total ban on the use of TBT-based anti-fouling paints through international cooperation. This understanding led to the adoption of the International Convention on the Control of Harmful Anti-fouling Systems on Ships in October 2001.

The Convention will enter into force internationally 12 months after the date on which not less than 25 countries, the combined merchant fleets of which constitute not less than 25% of the gross tonnage of the world’s merchant shipping, have become a Party to it. As at 31 May 2006, 16 States representing 17.27% of world shipping tonnage were Parties to the Convention. The Convention is expected to come into force internationally in the near future.

The Protection of the Sea (Harmful Anti-fouling Systems) Bill 2006 will enable Australia to ratify the Convention and implement it domestically. The Convention prohibits the use of harmful organotins in anti-fouling paints on ships. It will also establish a mechanism to prevent the future use of other harmful substances in anti-fouling systems.

This bill has three main objectives. Firstly, it will establish a regulatory scheme to protect the Australian marine environment from the harmful effects of organotin based anti-fouling systems used on ships. Secondly, it will protect human health during the application or removal of anti-fouling systems. Finally, the bill provides for uniform international rules and procedures for protecting the global environment from the harmful effects of anti-fouling systems used on ships.

The bill will prohibit the application or reapplication of organotin compounds on all Australian ships anywhere in the world and also on any ship in an Australian port, shipyard or offshore terminal. By 1 January 2008, it will be an offence for any ship bearing such compounds on their hulls or external parts or surfaces to enter an Australian port, shipyard or offshore terminal, unless the ship bears a coating to prevent the compound leaching into the water. A similar offence will apply to Australian ships entering a port, shipyard or offshore terminal elsewhere in the world.

The Australian Government agreed to ban the use of organotin based anti-fouling paints through Australia’s Oceans Policy in 1998. This commitment recognises that Australian Defence Force ships seek to comply with international environmental standards as far as practicable, taking into account the fact that operational requirements may take precedence in some circumstances.

The proposed Act will apply to all States and the Northern Territory. However, any State and Northern Territory legislation prohibiting the use of TBT on ships of less than 25 metres in length will be preserved.

The collective actions of governments working through the International Maritime Organization has provided a global incentive for the shipping and marine coatings industries to restrict the use of harmful anti-fouling systems and to develop replacement systems which are safe.

If Australia does not ratify the Convention, the level of environmental protection in our waters will be lower than internationally-adopted standards, representing a cost to Australian coastal communities. Australia would not be in a position to enforce the full range of controls on anti-fouling systems against foreign flag and Australian ships. The lack of a national approach to control the use of harmful anti-fouling systems could result in the States and Northern Territory establishing local regimes for controlling the use of harmful anti-fouling systems on larger ships, potentially creating multiple regulatory schemes with different requirements around the Australian coast.

It is undesirable to establish unilateral regulatory regimes at either the State or Federal level if an appropriate regulatory scheme could be provided by a multi-lateral agreement. Australia’s obligations as a Party to the United Nations Convention on the Law of the Sea provides that nations should adopt international rules and standards.
when implementing laws and regulations to prevent, reduce and control pollution of the marine environment caused by ships. Uniform international standards are vital to the international shipping community, which often faces significant administrative costs in complying with multiple regulatory regimes which often cover the same subject matter but require different documentation or actions to ensure full compliance.

The bill continues the Government’s efforts to enhance Australia’s marine pollution prevention regimes.

Debate (on motion by Senator Ian Campbell) adjourned.

COMMITTEES

Legal and Constitutional Legislation Committee

Report

Senator EGGLESTON (Western Australia) (11.28 am)—On behalf of the chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present the report of the committee on its examination of annual reports tabled by 30 April 2006.

Ordered that the report be printed.

SCHEDULES 1 AND 3 TO THE PARLIAMENTARY ENTITLEMENTS AMENDMENT REGULATIONS 2006 (No. 1)

Motion for Disallowance

Debate resumed from 6 September, on motion by Senator Bob Brown:

That Schedules 1 and 3 to the Parliamentary Entitlements Amendment Regulations 2006 (No. 1), as contained in Select Legislative Instrument 2006 No. 211 and made under the Parliamentary Entitlements Act 1990, be disallowed.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (11.28 am)—I am in continuation after being rudely interrupted the other day. Unfortunately, this debate has dragged on over about four days as a result of changes to the order of business. We are debating a disallowance motion moved by Senator Brown, Senator Murray and I concerning the government’s regulation which seeks to increase members’ printing entitlement by $25,000 to $150,000 a year and to alter the Senate printing arrangements.

Our main concern is that the government is motivated by partisan political interests rather than the interests of serving the public. I think it has become a sort of a metaphor for the government’s approach this term. It seems it is governing for its interests rather than the interests of the Australian public. These measures make a serious contribution to entrenching members in power. They provide extra resources way beyond what is reasonable to allow a member to defend themselves politically in the next election. It is using taxpayers’ money to resist the forces that are poised to drive members of the government from office and it is a measure that allows all current members a huge advantage over other candidates in the election. I think it shows that the government’s priorities are wrong and that they are focused on their interests and not the interests of the Australian public. This range of measures introduced by the government since it gained its majority in the Senate seeks to entrench the government in power by the use of taxpayers’ money.

The measure not only increases the printing entitlement for a current member of the House of Representatives to $150,000 a year; it also introduces a provision that allows the member to roll over 45 per cent of their unused entitlement from one year into the following year. It is the first time that a member has been allowed to roll over this entitlement and it is interesting—and I will come back to this—that the same provision does not apply to senators. When you are looking for consistency of principle and approach, you do not get it here. You do not get it, because it is about a political fix to ensure that current members of the House of Representatives
have enormous taxpayer funded resources to defend themselves at the next election, not in their role as parliamentarians but in their role as candidates in the election. It is a huge advantage to incumbents; it is a taxpayer funded advantage to incumbents.

The government’s defence of this measure is paper thin. The government says: ‘It’s time for an increase and this is reasonable.’ A $25,000 increase? There was no justification. The only defence the minister has offered is that ‘it only equates to $1.61 per elector and that that is not an unreasonable position—$1.61 is a reasonable position to take’. It is a huge increase in entitlement. There has been no justification for it and, as I say, the provisions allow these things to be used in the defence of a member in an electoral context rather than in their role as a parliamentarian.

As I say, there has been no justification made for this in any credible way, but I want to focus in part today on what I call the Howard re-election clause. The Howard re-election clause is the amendment to schedule 1, subregulation 3 contained in this measure which allows for 45 per cent of the entitlement to be rolled over to the following year. Not only are you entitled to $150,000 of taxpayers’ money to print material for distribution to the electors; you are allowed for the first time to roll it over and spend more than that in one year. In fact, under this arrangement, it is possible for the member to accumulate $217,500 worth of printing entitlement in one year. So not only do we have $25,000 increase but it is even worse if you think about it in terms of the current context.

The year 2007 is a federal election year. This provision comes in on 1 July 2006, so we have a provision that says: you can spend $150,000 in 2006-07 and $150,000 in 2007-08. That means you can accumulate $300,000 worth of printing entitlement to spend in an election year. We have gone from having a printing entitlement of $125,000 to a provision, the Howard re-election clause, that provides for a member of the House of Representatives to access $300,000 worth of printing entitlement in one year, the election year—that is, a $300,000 head start on any other candidate that stands for election, a $300,000 benefit paid for by the taxpayers of Australia.

In a sense, we argue against self-interest for all the Labor members of the House of Representatives but, if you analyse it from a perspective of what is good for democracy and what is good for the taxpayers of Australia, this provision is indefensible. It is much more insidious than you would expect at first glance. This clause, the Howard re-election clause, allows the rollover of money from one year to the next, which will effectively mean that those who want to save their printing allowance in one financial year are able in an election year to spend $300,000 on printing primarily directed at their re-election—$300,000 funded by the taxpayer to allow them to print material that is focused on their re-election. Think of the poor independent candidate standing against them in the re-election—not a cent to start and with very little capacity to raise money. It is a complete perversion of the democratic process. It completely advantages incumbent members of parliament and ought not be supported. It is an anti-democratic measure.

We concede there are arguments for members being able to communicate with their...
constituents. It is about finding the right balance. Labor argued last time the government tried this that about $75,000 a year was a reasonable limit. The government could not get its way last time it tried to increase the allowance to what we thought was an unreasonable amount. And here is the government having another go, in the year before the election, knowing that it has the numbers in the Senate to pass the regulation. Today’s disallowance motion will fail. It will fail because the government will exercise its numbers to ensure that the provisions apply.

Although I have but little time available to me, I want to make the point of the comparison with the senators. The new arrangements move from a cap on the reams of paper and printing via the Senate printing office, which senators have access to, to a universal cap of $20,000 per annum for all printing requirements. The government argues that that will not actually disadvantage senators, when compared with current arrangements, and that it is more sensible. I do not want to go into all those arguments, although I think it restricts senators in a very serious way in terms of their capacity to develop larger documents that discuss policy issues and that look to debate important issues of public policy. I think my colleague Senator Carr will probably focus on those issues, so I will not delay the Senate further on those points for the moment.

The members of the House of Representatives are having their allowance increased to $150,000 per annum, whilst senators will enjoy a cap of $20,000 per annum. The minister has defended this move on the House of Representatives printing allowance on the basis that it means a printing allowance of only $1.60 per elector, that it is a reasonable increase and that it is therefore a reasonable provision. But what does the same provision in that same regulation mean for a Western Australian senator? For senators in my own state it means 1.6c per elector per senator. What is the logic of that? What principle of communicating with your electors is involved with that? There is no principle. There is no policy underpinning that. This is a political fix for House of Representatives members to defend their seats. It is about incumbency. It is about the use of taxpayers’ funds to allow incumbent House of Representatives members to defend themselves against challenges in elections.

If you look at a larger state like New South Wales, you see that, while a House of Representatives member in New South Wales will get an allowance equating to $1.61 per elector, a senator from New South Wales will get an entitlement of only 0.46c per elector. That is the absurdity of the proposition being put to us when the government attempts to defend it on the basis of allowing members and senators to communicate with their electors. The reality is that this is a political fix in terms of increasing the entitlement of the House of Representatives members to campaign for their re-election. And it is all funded out of the taxpayers’ purse.

This has got beyond a joke. It has got to the stage where the government is using taxpayers’ money to defend itself from the electoral consequences of its arrogance and failure to develop policies in the interests of Australian citizens. This is about a government governing for itself. And if you look at all the other measures that go with this one—such as the abuse of advertising money—you see the fact that the government has used hundreds of thousands and millions of dollars of taxpayers’ money to advertise in defence of itself. In the last 10 years, over $1 billion of taxpayers’ money has been spent on advertising, largely for defending government policies. We saw the outrageous expenditure of $55 million of taxpayers’ money for the government to try to defend
its Work Choices law. It failed, of course, because the Work Choices legislation is indefensible, but it spent $55 million of taxpayers’ money in doing so.

This regulation ought to be disallowed by the Senate, because it is an abuse. It is an abuse of the government’s power and it is an abuse of taxpayers. It goes way over the top in terms of what would be reasonable for members of the House of Representatives to have as a printing entitlement to use for communicating with their electors.

This ‘Howard re-election clause’ shows the cynicism and arrogance of the government. It shows that the government is about ruling for itself and entrenching itself in power rather than acting in the national interest. It effectively allows the taxpayer to pay for $300,000 worth of advertising by each member in an election year. It is a rort. It ought to be opposed. Labor will join with the Greens and the Democrats in opposing it. (Time expired)

Senator Chris Evans—Where was he on the list? He was 14th on the list. There were 13 coalition members above him in terms of expenditure.

Senator ABETZ—I listened to your nonsense in silence; you might like to listen to my facts in silence. Of course the honourable senators opposite get twitchy as soon as you expose the duplicity and the hypocrisy of the Leader of the Opposition in the Senate. Why did the Australian Labor Party introduce a printing entitlement which was uncapped? Was it for the re-election of the Keating government? Was it for the re-election of the Hawke government? Of course not. When Labor does it, it is to communicate with the electorate. It is all good and wholesome. But when we as a government seek to cap it, there are nefarious reasons behind it. What nonsense. The people of Australia can see through this duplicity of the Australian Labor Party.

Let us get back to when it was introduced. The printing allowance was introduced by the Labor government in 1990 as part of the Parliamentary Entitlements Act, and it was uncapped. In other words, it was an unlimited entitlement. You hear the Leader of the Opposition in the Senate go on with the nonsense that allowing somebody to roll over their entitlement into the next year—and I will get to the reason why that should happen—means that somebody can spend $300,000. But, guess what? Under Labor
they could have spent $300,000 and more on their re-election campaign, because it was uncapped. Yet they have the audacity to come into this place and assert that somehow we are seeking to manipulate the system. Indeed it was in September 2001 that I announced, albeit with the Prime Minister, that as of 1 January 2002 the entitlement would be capped at $125,000 per annum as part of a comprehensive package of entitlement reforms. We had under the Labor regime some members of parliament, and I confess that there were some on my side as well, spending up to $400,000. We stopped it. We put an end to it; something that Labor could never bring themselves to do. We put a cap on it. We put an end to it. We asked: what would be a reasonable figure to enable communication with your electorate? We had to keep in mind that, whilst printing is expensive, there is in fact a postage limitation on every member of parliament and therefore it is not as though you can put a sheet of paper into everybody’s letterbox every single day of the week. This sum is limited by virtue of the amount that can be used by way of postage.

That original decision to cap it at $125,000 was taken some five years ago. It makes good sense that that figure should be reviewed from time to time. If you start with the inflation rate and you then compound that over the past five years, a raise to $150,000 seems to be reasonable. It means that an MP would have about $1.60 per year per elector. It is interesting to note that Senator Evans, in his hyperbole, says that $300,000 for re-election is immoral. I have already pointed out the hypocrisy of Labor, because they would have it uncapped, which would mean that they could have spent $500,000 or $600,000. We put a limit on it. But all we are talking about here is an increase of $25,000. When he says that $300,000 is an inappropriate figure, what he is really saying is that $250,000, which is the current cap, would be appropriate. So somehow that $50,000 figure is the inappropriate amount—if you were to be honest with the electors. Of course, we know from Labor the tactic has always been ‘opposition for opposition’s sake; don’t do as I do, do as I say’. When they are in government, we know what they will do. If they ever get the numbers again, they would uncaps it—as they were happy to have it uncapped when they introduced it in 1990.

We have heard all sorts of things from Senator Brown about this being an outrageous hike et cetera. I simply say to him that, with all his hyperbole, the mere repetition of his false assertions does not make those false assertions right. He can repeat and repeat and repeat the false assertions, but that does not clothe them with any integrity or any truth. Senator Murray made a contribution to this debate. He quoted Norm Kelly. I understand he wrote an article in recent times and is now an academic ensconced at the Australian National University. Unfortunately what Senator Murray did not remind us was that this Norm Kelly, if I have the right one, is in fact a former Democrat member of parliament in Western Australia. Senator Ruth Webber is acknowledging that for me. And so, with great respect, for these academics who try to pretend that they are somehow clothed with academic independence, there is an issue of integrity here. It would be helpful if they were to say, ‘And by the way, I am a former Democrat member of parliament with a particular persuasion and with a particular axe to grind in this debate.’ I have dealt with most of that which Senator Evans spoke about, including that this was somehow a perversion of the democratic process.

We as a government say that there should be an absolute limit in an election year of $300,000 with this rollover. That it would be spent, I would doubt, but nevertheless potentially it is possible. But, if $300,000 is a per-
version of democracy, it behoves the Australian Labor Party to tell the Australian people why their uncapped approach, which would have allowed $500,000 or more to be spent, was not a perversion of democracy. It will be very interesting to hear Senator Carr try to dance around that one. I do not think he will be able to.

When we were on entitlements—and I remember when this suite of entitlements was introduced—the Labor Party and the minor parties tried this same stunt. Labor joined with the Democrats and Greens to disallow the increase to the printing allowance which would have assisted all members. But, of course, what the Labor Party do not tell you in this debate is that, at the time the printing cap was put in, which they found outrageous—which is interesting, seeing it was previously uncapped—they could not find it in their conscience to disallow a range of entitlements that were specifically designed in fairness in this democratic process to help the Labor Party and the minor parties, such as enhanced transport arrangements for opposition and minor party MPs, including new charter transport arrangements for them. Was the cost to the taxpayer referred to by Senator Evans or Senator Murray in their contributions? No, because, if it is something they might be able to avail themselves of, that is good and wholesome—and so we do not talk about that. When we allow business class travel for some of their staff and more computers and more mobile phones for these staff, the whiff of hypocrisy in this is quite overwhelming. In fact, it is no longer a whiff; it is a stench of hypocrisy of these honourable senators opposite.

It is interesting, because the Labor Party have been out on this issue banging the can for quite some time. Mr Thomson from the other place is their public accountability spokesman. He appeared on Perth radio on 17 August and said that the $125,000 was already too high. Interesting: a $125,000 cap is too high, but uncapped is not too high—that is okay! Of course, what he does not—or he might, in fact—know is that the member for Griffith, Kevin Rudd, spent the whole of that $125,000 less 1¢ on his printing entitlement. So what does that tell you about Mr Thomson’s approach to Mr Rudd? He believes Mr Rudd has wasted taxpayers’ money.

Labor members are finding the need to spend this money on their electorates. Is Mr Thomson willing to condemn the member for Griffith—the potential leader of the Australian Labor Party if Bill Shorten does not beat him to it? They are the sorts of issues that Senator Carr should be addressing in the event that he does in fact make a substantial contribution. He never has, so I am not really expecting him to. But Mr Thomson tells us: I think people ought to be able to do their communication with a budget of under $100,000. That is Mr Thomson’s view of the world. We have just heard Senator Evans saying it ought to be $75,000. Which is it? Let the Labor Party come out. They said, when they introduced it, it should be uncapped. Now that we have capped it so there cannot be an abuse, one says it should be $100,000 and another says it ought to be $75,000. What is it? If you are an alternative government, you ought to have a position fair and square and tell us and the Australian people what it is. But, of course, typical of Labor’s style, it is opposition for opposition’s sake—and then they cannot even get their story together.

But, if the limit ought to be $100,000, guess who spent $110,000 last year in communicating with his electorate? None other than the member for Brand. Who might be the member for Brand? None other than Mr Beazley. So here we have Mr Beazley making a conscious decision that, in communicating with his electorate, he should be...
spending $110,000, yet his shadow spokes-
man says that $100,000 ought to be the limit.
Senator Evans has undermined Mr Beazley
even further by saying that the limit ought to
be $75,000. In other words, according to
them, Mr Beazley has wasted $35,000 on
excessive communication with the electors
of Brand. Indeed, when Mr Thomson was
really pressed on this, he tried to assert that a
previous cap was in the order of $62,000. Of
course it was not; there was no limit in any
way, shape or form, and that is where the
whole Labor Party argument came undone.

Even Mr Thomson himself is a good
spender of this entitlement, as indeed is the
member for Batman, who is on record as
saying that a legitimate level of expenditure
is only $30,000. He is a very senior shadow
minister: the member for Batman happens to
rejoice in the name of Mr Martin Ferguson.
Here we have a range. When Labor was in
power, uncapped; now that we cap it, Labor
have all this mock hysteria and mock out-
rage. When they are pressed as to what the
cap should be, you have Mr Martin Ferguson
saying $30,000; somebody else, $75,000;
somebody else, $100,000—all this faux out-
rage. Really, can I say to those opposite that
what we are doing is not unrealistic: it is fair,
what is more important, there is an actual cap, unlike what Labor had.

On what senators may or may not need in
relation to communication, if we were able
to communicate with every elector, that
would be a serious impost on the taxpayers.
It is interesting to note that a former distin-
guished senator in this place, now deceased,
Senator Cook, wrote a lengthy and, might I
add, well-considered and well-constructed
letter to the chairman of the Remuneration
Tribunal. This is what he said:

Members of the lower house traditionally have a
much closer relationship with the electorate than
is the case with members of the upper house who
represent their state as a single electorate. It is
therefore not appropriate to base the entitlement
for senators on the size of the constituency.

That was from a former distinguished Labor
minister, who, I think at some stage, even
served as their deputy leader in this place. So
that was the Labor view when they were in
government. In his letter, he said:

In the United States, members of the House of
Representatives are able to send out six mass
mailings each year to each postal patron within
their congressional district.

We do not allow for that—far from it. We
allow for one mailing per annum, not six. If
you do a worldwide comparison, you will
see how very sensible and reasonable we are
and, what is more, unlike Labor, we have
capped it. Another example that Senator
Cook pointed out was Canada. The members
of the House of Commons there are able to
send out four mass mailings each year and
up to eight in an election year. I tell you that
the House of Representatives members here
would not be able to send out eight mailings
to each constituent in an election year.

Despite this moral outrage about this ‘per-
version of the democratic process’, a lot big-
ner entitlements in the United States and
Canada do not seem to have perverted the
democratic process there, so why should a
smaller entitlement in Australia somehow
pervert the democratic process?

I invite senators to also reflect that in the
United Kingdom, as Senator Cook pointed
out in his letter, members of the House of
Commons are entitled to free postage for
parliamentarians’ business in the country—in
other words, it is absolutely unlimited. Mr
Blair has not changed that. He has been in
government for quite some time. I ask the
simple question: if it is not a perversion, with
all these unlimited, quite generous entitle-
ments in the United Kingdom—and much
more generous in all these other comparable
democracies—why is our modest entitlement
somehow a perversion of democracy? I will tell you why, Mr Acting Deputy President. This is another example of the Australian Labor Party doing opposition for opposition’s sake, not looking at things objectively, opposing anything and everything the government does and being absolutely and utterly blind to the fact that, when they introduced the printing allowance, they did so on an uncapped basis. We brought integrity into the system by capping it—something that Labor could never bring themselves to do—and we believe that at this stage of the life cycle of the printing entitlement, it is appropriate to have a modest increase. The government oppose the disallowance motion.

Senator CARR (Victoria) (12.02 pm)—
The minister has just given us a dissertation on stench. I always find it an interesting concept, coming from a man—

Senator Abetz—You live in it!

Senator CARR—He says that we live in it. That is his approach to the matter. We see from him a presentation that has all the enthusiasm of a salesman for the new product. No matter what the product is, he has enthusiasm for it. But in fact what you are seeing is a rather sharp, somewhat sleazy and slimy approach being taken to the presentation of what is a very weak case of a government. He has all the morality of a used car salesman when it comes to the selling of his product. In the first instance he says that, when the Labor Party was in government, it did not have a cap on printing. He knows, as he has been a former minister, that the policy of the Labor Party was to support a cap for many years. He knows that Senator Ray is on the public record and he knows that I and Senator Faulkner, as former shadows in this area, have both made statements to the effect that we support a cap on the printing entitlement. He knows that to be the case and he has wil-fully misrepresented the Labor Party’s position on these matters.

He commented on the generosity the government has shown towards the opposition. I know that Senator Ferris wrote to him when he was the minister, at least on three occasions, requesting support for phones for the whip’s office, which was denied by him. I understand it was the current Special Minister of State, Mr Nairn, who finally agreed to the provision of extra phones for the whip’s office. We have opposition frontbenchers who do not have enough computers in their rooms. Those computers have been denied because it suits the government to restrict the opposition in terms of the facilities available.

What I am particularly concerned about is the abuse of ministerial power that flows from the actions of the government. We have seen the case that has been put in terms of advertising. We know the additional moneys the government are spending to support their case for re-election—over $1 billion in advertising from public sources. We know the changes they made to the electoral laws to undermine the franchise in this country, to undermine the Australian ballot. We know the actions that they are taking to restrict people’s capacity to participate. We now have this provision with regard to the printing entitlement, which is all about the re-election of the government. Those combined measures have to be seen.

However, what I am particularly concerned about is how the government seeks to use the ministerial office in a manner to undermine the position of other members of this parliament to the point where, just last month, we saw the current minister, Minister Nairn, releasing details of entitlement spending of some members of the Labor Party. Of course, that practice was pursued in 2001, where Minister Abetz today referred, once again, to the member for Paterson, who was
the 14th member on the list of spending at that particular time. That was a clear attempt by the government to smear and misrepresent the situation. In that case we had 13 coalition members spending more money than the member for Paterson at that time. We now hear a reference to the member for Brand and the member for Griffith and their spending entitlements, so we see a clearer pattern being established by this government of gross misrepresentation of ministerial authority and abuse of ministerial office.

We have a clear situation where these are not matters that are subject to the Remuneration Tribunal. These are not the patterns of deliberation made by some independent authority. These are the political decisions of government made for the interests of government and aimed to extract the maximum advantage out of incumbency. I take the view that there ought to be a clear balance on these questions. All that we have said—and I have said this in terms of my responsibilities in this parliament on the questions of entitlement—is that there ought to be caps on the printing entitlements. We have made that very clear. But what we say, though, is that we cannot have a situation where members can take advantage of the $300,000 in an election year, which Senator Evans has pointed out, in circumstances where the audit provisions are extremely weak.

However, I want to concentrate on other aspects of these new regulations that the government is introducing by ministerial fiat. We cannot amend these regulations; we can only move to disallow them. So there is no question of saying we do not like this amount and would prefer another amount; it is about either disallowing them or accepting them, and we are moving to disallow them, because these are regressive regulations. The government claims that these changes in respect of the Senate are designed to regularise the arrangements for senators. Nothing could be further from the truth.

We now have a ludicrous situation, as a result of this government’s actions, where senators are effectively banned from using the Senate printing office, where senators are not entitled to use the Senate printing office. However, what I am particularly concerned about is the fact that the President of this chamber is said to be the source of this advice to the government to restrict the capacity of senators to use the Senate printing office. I refer directly to the minister’s letter of 30 August that confirms that the printing office will no longer be responsible for senators’ printing. He says:

As a consequence of the fact that the newsletter and stationery entitlements of senators have now been amalgamated, the Senate printing office will no longer be responsible for printing any items for senators.

What an extraordinary proposition! And Minister Nairn’s letter of 15 August points out that these changes were the results of representations by the President himself. I know he has been concerned for some time to see the use of Tasmanian paper in the printing office. He does not like the use of imported paper. I can understand the view about using domestic paper for the printing of government documents, but I think it is a long way to go from that to suggest we should have some sweetheart deal with local printers so that we can win the services of friendly local printers for the printing of our materials—and I look forward to the acquittal processes that will come from those arrangements.

I am particularly surprised by the acquiescence of the President to the transfer of the administrative responsibility for these matters from the department to MAPS. We have a situation where the presiding officer should not acquiesce to the executive, because I understand that the real source of the authority...
for this change in the Senate printing entitlements is a decision of the Prime Minister himself. He is the one that has been pursuing these questions, because he is very concerned about the way in which some senators in this chamber are actually using their printing entitlement to canvass ideas. Shock horror!

**Senator Abetz**—See Senator Ray’s comments in *Hansard*. Talk to Senator Ray!

**Senator CARR**—I raise the point, Minister: who did the President consult? Which senators did he consult? Who did he ask about these changes? What constituency was the Senate President actually seeking to serve by these changes?

The minister for finance tells us that we have an average expenditure of $15,000 on the services that are currently available. I would like to know on what basis he calculated that cost. I would like to know on what basis as to the quality of services provided were these assessments made. What allowance was made for the commercial costs of the printing that we are supposed to be undertaking? We understand the new provisions will mean that all senators’ printing—everything from their Christmas cards and their calling cards to their compliments slips and their fax cover sheets—will have to be done privately. You would have to ask yourself what additional costs will be involved in that process.

I am particularly interested to know how the government will seek to establish the pro rata amounts between a senator and a member of the House of Representatives. We clearly have a situation with the carry-forward provision, as Senator Evans has pointed out, where there is a great disparity in the amounts of money that are available for senators and House of Representatives members. No-one on this side would suggest that there ought to be equality in terms of the amounts, but the disparity is now at a point where it is clearly ridiculous. If you think about the amounts of money that are actually available for the electoral cycle, we are now looking at a figure of some $540,000 that is available for members of the House of Representatives to be used for their own re-election. That equates with nothing like the amounts of money that are available for senators to undertake their work.

I take the view that it is not just a question of the size of the envelopes or whether or not we now have to go down to the MAPS store and ask the MAPS people to deliver envelopes to our office for us to then personally transfer to a local printer. That is all irrelevant to this major issue, although there are clearly additional costs involved that the minister for finance has not calculated. What I am very concerned about is the impact of these changes. One of our critical roles in this place as senators is to debate matters. Our critical role is to assess what is going on in this country at any particular time. We actually live in a bizarre age. We are seeing with this current Australian government, particularly under this Prime Minister, a severe case of antipodean cretinism. We have a clear case of the degrading of the importance of rational debate, of intellectual rigour, of the assessment of social and economic options. It is a dumbing down, Minister—and you are the perfect example of it. There is a dumbing down of the level of political debate in this country. Parliament ought to be the centre for the battle of ideas. It ought to be the arena in which issues and policies of enduring national significance are debated and thrashed out. It is the site where different visions of society should be tested and canvassed. The Senate has a particular role in that regard, and under the current arrangements the capacity to produce larger documents, policy documents, discussion documents, magazines and journals is of course
apparent to us all; the ability to swap the paper entitlement around means that has occurred.

What we are seeing under this government is that the Senate’s role as a house of review is being restricted—and I do not just mean review of legislation; I mean reviewing the work of government, public policy and our vision of ourselves, our country and our place in the world. All of these matters are being restricted. A senator ought to be allowed to have the highest level of intellectual commitment—a commitment to rational debate and analysis—and the capacity to make appropriate judgements. But, under these regulations, we are confined to doing that on four sheets of paper; if it does not fit onto four sheets of paper, it is not to be covered by printing. We cannot print any documents that are longer than four sheets of paper. What is the mentality of a government that creates that as part of its regulations?

I take the view that the contest of ideas should occur not just in this chamber but throughout the community at large. It also ought to occur in the back rooms of parliament. Labor has a long tradition of emphasis on political debate and journalism. There is an equally long tradition of Labor politicians who have recognised and used the platform offered by journalism and the political press. Red Ted Theodore, John Curtin, Frank Anstey and a whole host of people have used their jobs as members of parliament to argue their case in the public debate using the printed word. Even Billy Hughes, in his early days, was interested in these sorts of things.

These regulations seek to change the communications entitlement to wilfully—and, I say, quite intentionally—frustrate senators who have an interest in fulfilling that important part of their work. What we have here is an attempt by this Prime Minister, through his deliberate personal intervention on this matter, to stifle debate and stunt the development and evaluation of policy and policy options. No case has been made for this, but we are now told that there is to be a restriction on what we can do. There will be a limit of $20,000 a year for all printing entitlements, and documents can be no more than four pages in length.

We are told that the changes that are being taken—moving away from the Department of the Senate—will be an improvement. I have had no trouble at all getting material published through the Black Rod’s office; it is not a restriction. I have put forward policy documents, journals of essays and a range of matters. I have used my entitlement to the full, without restriction by the Black Rod’s office. We are now told that this is the excuse that is being used to justify the transfer of these arrangements to DOFA. We are being told that if it does not fit on four sheets of A4 paper—we can have it on glossy paper if we want, of course—it does not count and that is not the appropriate way for it to be done.

It strikes me that this is an attack on our rights and our capacity to undertake our job. It will mean that some senators who currently use this allowance to do the job will not be able to do it. Senator Brandis, Senator Mason and even Senator Fifield have an interest in this sort work. They produce journals; they are interested in contributing to journals; they are in the business of articulating views about the direction in which this country should go. I happen not to agree with them, but I defend their right to do it—and it would seem that I defend it much more strongly than this Prime Minister does. We have a situation in which the work of senators is being undermined by the actions of the Prime Minister. The Prime Minister has targets whom he cannot abide. I have mentioned Brandis, Mason and Fifield. They are not left-wingers; they are probably moderates. They are conservative libertarians; they
are not particularly revolutionary men. But this Prime Minister aims to silence them. They join another group: Petro Georgiou, Bruce Baird and Judi Moylan. This is not exactly a roll call of John Howard’s favourites. What we are seeing with this device is the Prime Minister’s determination to silence the Peter Costello acolytes. This device is being used by the Prime Minister to restrict—

**Senator Abetz**—You are desperate!

**Senator CARR**—the articulation of opinion in this chamber. It is as much a factional move by this Prime Minister—and the likes of Senator Abetz—to restrict his opponents as it is anything else.

Some senators are able to publish their own documents because they are able to use their own resources. Senator Santoro’s magazine *The Conservative* is a case in point. Senator Santoro is the editor of this journal and he is clearly aspiring to be a leader within the Liberal Party. This journal draws upon the thinking of notorious people within the Liberal Party such as Mr Gerry Wheeler, who contributed to the last two editions of that journal. It is supposed to be printed quarterly—it is falling a bit behind. I read the initial issue, which was sponsored by the patron Senator Minchin. Mr Gerry Wheeler stood unsuccessfully for Liberal preselection for the Senate in 2002. He has been described by a former party colleague as:

… a hardline right-wing member of the Liberal Party who was once part of a group known as the ‘brunweenies”—young Tories who worshipped Bronwyn Bishop, who for a brief while fancied herself as a saviour of the Liberals after John Hewson lost the 1993 election.

With Mr Wheeler comes an attitude that strikes one as being like that of the rabid anti-communists of 1950s America. Formerly an adviser in Mr Howard’s office, although what he actually did there was always a mystery to most of us, Mr Wheeler is a man who detests the ALP—and the left of the Liberal Party for that matter—with a passion.

Another report suggests that Mr Wheeler has other political interests such as the right to bear automatic arms, the privatisation of the ABC and the SBS, opposition to economic sanctions against South Africa and all the rest of it. That is his long history.

So Senator Santoro’s journal is very interesting. It is privately funded by a Sydney not-for-profit company and it is not in his declaration of pecuniary interests. I always find it very interesting that this should be the case. My point is simply this: senators ought to be able to use their printing entitlement for the discussion of ideas about policy. They should not have to rely upon privately-funded, undeclared, not-for-profit companies to organise the articulation of their points of view. There should be an opportunity for senators to undertake their job properly. These measures by this government are part of a package of measures aimed not only at ensuring that the incumbency of this government is maintained but also at enabling the Prime Minister to mount a direct assault on his factional opponents. *(Time expired)*

**Question put:**

That the motion (Senator Bob Brown’s) be agreed to.

The Senate divided. *[12.27 pm]*

(The Acting Deputy President—Senator HGP Chapman)

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**AYES**

Bartlett, A.J.J.  
Campbell, G.  
Conroy, S.M.  
Faulkner, J.P.  
Hogg, J.J.  
Bishop, T.M.  
Carr, K.J.  
Crossin, P.M.  
Fielding, S.  
Hurley, A.
There is a startling and profound lack of public awareness about these laws, which should be an issue of serious concern for any person interested in seeing Australia’s long liberal democratic traditions continue. However, it is not only the mandatory nature of the loss of privacy that is of concern; there is also the fact that there is a reduction in control over a person’s personal financial information. When a person divulges information to a bank, they are potentially also allowing a number of other government departments to access their information.

Under the current laws, when a bank is required to give customer financial information to AUSTRAC, an entire network of other government agencies can also gain access to the information. In their submission to the Senate Legal and Constitutional Legislation Committee inquiry into the exposure draft of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2005, the Australian Privacy Foundation noted that the information given to AUSTRAC is made available online to nearly 30 partner agencies, some of which are authorised to disclose the information to other overseas agencies. Yet how many ordinary people are aware of the extensive intergovernment departmental information exchange system that exists? If more people did know about it, would there be unanimous support for such a system? Concern over the lack of public awareness was also voiced by the Australian Bankers Association in their submission to the Senate Legal and Constitutional Legislation Committee inquiry into the Financial Transaction Reports Amendment Bill 2006.

While there is a genuine need for anti-money-laundering and counter-terrorism financing laws, there is also a serious need for an increased campaign of public awareness about what goes on in these respects. The Australian Privacy Foundation noted, in their submission referred to just moments ago, that the Financial Transaction Reports Act
regime 'makes a mockery of continuous assurances about banking confidentiality'. In all the various legislative responses that have been implemented in the post September 11 world, it is important to not forget whom these laws are meant to protect: the people of the strong democracy of Australia.

Recognising the need for some things to change and that we do need a tighter regulatory environment is, of course, entirely acceptable and proper, but it must be done with a recognition and understanding of consequences and results. I encourage the government in its efforts to implement a sound legislative framework which minimises money laundering, exposes the financing of terrorist and criminal activities and reduces the evasion of tax. However, it is also of fundamental importance that, in the enacting of such laws, the competing interests of the privacy of personal information be balanced against the need to outlaw and prohibit activities and actions which run contrary to a safe, civil and enduring society. The Australian Democrats will support this bill but note that the legislation will need careful monitoring for its effects and consequences.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (12.35 pm)—in reply—In summary, the primary purpose of the Financial Transaction Reports Amendment Bill 2006 is to vary the amendments to the Financial Transaction Reports Act 1988, the FTR Act, made by schedule 9 of the Anti-Terrorism Act (No. 2) 2005, the ATA. The aim of the amendments made by the ATA to the FTR Act was to bring Australia into closer compliance with special recommendation VII of the Financial Action Task Force, FATF. Variations to those amendments have been made to address practical issues raised by industry. The government accepted the Senate Legal and Constitutional Legislation Committee’s recommendation to hold further discussions with the ABA and GE Money on issues they raised in relation to the bill. The government amendments address all but two of those issues.

The government has informed the ABA that it will discuss the issue of the inclusion of credit card account numbers in IFTIs with other FATF members to explore the options for international solutions. GE Money raised an issue about corporate treasuries which will be addressed by way of regulations and can be resolved without requiring an amendment to the bill. There has been extensive consultation with industry in relation to the AMLCTF Bill which is still ongoing. In the course of that consultation, industry have identified issues which have been addressed. This means that changes needed to be made to the FTR Act. Such amendments are important for the proper operation of that act.

Industry must have certainty about its obligations in this complicated area, and the amendments to the FTR Act will achieve that result. It is acknowledged that the AMLCTF Bill has privacy implications. However, the government is committed to bringing Australia into compliance with the recommendations of FATF and, in the present context, special recommendation VII. The AMLCTF Bill will strike an appropriate balance between privacy rights and the need to combat money-laundering and terrorist financing.

It has taken time to develop the AMLCTF Bill because of the amount of consultation which has been needed to develop a package which will be both effective and cost efficient for industry. It is important to get things right and introduce balanced and effective legislation. The government makes no apology for taking the time to consult with industry in this difficult and complex area. Senator Ludwig raised a number of points which again demonstrate the opposition’s lack of understanding of the process required and
the complexity of the AMLCTF reforms. Senator Ludwig complained about the time the government has taken to introduce AMLCTF reforms. The government has always said that this is a comprehensive reform, which must not only reflect security concerns but also not inappropriately burden the private sector. The government has engaged in extensive consultation with industry—which industry requested.

**Senator Ludwig**—Again.

**Senator ABETZ**—Can I put on record, yet again, that we are a government that does not hide from consultation. We are a government that is proud of our consultative record. For the Labor Party to interject and say we have consulted ‘again’ just indicates that the Labor Party is now accepting that which the Australian people believe—that is, that we do consult.

**Senator Ludwig**—Mr Acting Deputy President Hutchins, I rise on a point of order going to relevance.

**Senator ABETZ**—This is frivolous.

**Senator Ludwig**—I am allowed to take a point of order. The issue is relevance. You know that you did not consult in the beginning. You are now misquoting me by saying ‘again’. What I have said right from the start is that there was no consultation in the beginning.

The **ACTING DEPUTY PRESIDENT** (Senator Hutchins)—Your point has been made, Senator. I call the minister.

**Senator ABETZ**—With respect, Mr Acting Deputy President, no point of order has been made and you should rule accordingly.

The **ACTING DEPUTY PRESIDENT**—There was no point of order. I call the minister.

**Senator ABETZ**—Thank you.

The **ACTING DEPUTY PRESIDENT**—Feel better now?

**Senator ABETZ**—Yes, I am very happy now, after that wounding intervention by Senator Ludwig!

**Senator Ferris**—Bring in the bandages!

**Senator ABETZ**—Yes, the old lettuce leaves will be wearing out very shortly! I confirm that the government has engaged in extensive consultation which industry requested. I repeat that the government does not shy away from the need to consult in any area, but especially not in an area where there are complexities.

Other countries such as the United Kingdom and the United States of America have gone through a similar process and they are still working on anti-money-laundering and counter-terrorism financing reforms. Consultation has been necessary in order to produce a well-developed package that will be effective and cost efficient for industry. It is important for industry to understand their obligations under this complex piece of legislation, and the government makes no apology for taking the time to consult with industry to get the bill right.

My very good friend and colleague Senator Ludwig also stated that there was a lack of consultation on the ATA. It was not possible to conduct extensive consultation on the ATA given the urgency of that bill. However, extensive consultation has been undertaken in the context of the AMLCTF Bill—

**Senator Ludwig**—Congratulations!

**Senator ABETZ**—Thank you very much for that, Senator Ludwig. Extensive consultation has been undertaken in the broader context of the AMLCTF Bill, which has ensured that industry has been able to raise its concerns and consult with the government on them. As a result of these discussions, amendments were made to the FTR Act. As a result of the Senate committee inquiry and consultation with industry, we have devel-
oped amendments which we consider to be worthwhile.

Senator Ludwig—Again.

Senator ABETZ—Yet again, my good friend and colleague Senator Ludwig clearly does not understand the complexities of AMLCTF reforms, and his insistence on speedy passage again demonstrates the opposition’s lack of understanding of the need to consult with industry on what are very important reforms. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Ordered that consideration of this bill in Committee of the Whole be made an order of the day for a later hour.

SUPERANNUATION LEGISLATION AMENDMENT (SUPERANNUATION SAFETY AND OTHER MEASURES) BILL 2005

Second Reading

Debate resumed from 18 August, on motion by Senator Minchin:

That this bill be now read a second time.

Senator STEPHENS (New South Wales) (12.43 pm)—I would like to speak on behalf of Senator Nick Sherry, during his absence, in relation to the Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005. This bill amends three acts—the Superannuation Acts of 1976, 1990 and 2005—by changing some provisions for public servants to make them more consistent with the private sector regulation of superannuation. Specifically, the bill allows negative credit rates to be applied to member accounts in the CSS. Allowing a negative credit rating will mean that the CSS, in line with other super funds, will apply a negative in a poor investment year. Currently, what is called a ‘smoothing’ is carried out in a negative earnings year by declaring a zero rate of return and transferring the losses forward to the following year or years by a reduction in the positive rate of return. This is carried out by the use of a reserve account. Members’ accounts up to 1 July 2006 will be quarantined and accumulations only from this date will be affected.

Maintaining smoothing is now very difficult for two reasons. Firstly, the introduction of investment choice will allow members to actively switch investments to higher risk categories and members who do not do this subsidise members who do. Secondly, the CSS is closed and will experience a rapid decline in membership over the next 10 years. If negative earnings occur, the members who have left the fund due to retirement are subsidised by the remaining members—a rapidly declining number—who will be required to make up the losses.

Also this bill will ensure the operation of the PSS and CSS are consistent with the requirements of the Superannuation Industry (Supervision) Act 1993, the SI(S) Act, concerning fitness and propriety standards for superannuation fund trustees. This is a common-sense approach and ensures that a ‘fit and proper person test’, with the power of removal if an individual does not meet the test, covers public sector superannuation, as it does private superannuation, trustees. It is a necessary safety improvement. Labor supports the bill and provisions contained within.

However, given this is a superannuation safety bill, Labor is greatly concerned about what is not in the bill. Labor has been greatly concerned for some years about two further aspects of safety for superannuation—theft and fraud, and employer insolvency. Labor has actively advanced policies to solve the gaps in protection. In respect of theft and fraud, current law only guarantees protection for up to 90 per cent of moneys lost. The
Liberal government has tried unsuccessfully to reduce this to 80 per cent. The current compensation mechanism provides that where theft and fraud occur a levy mechanism is applied across fund assets, currently totalling some $905 billion, to compensate the individuals affected. Fortunately, incidence of theft and fraud is minute in the context of total savings. This levy, when activated, represents a reduction of some 30c to 40c on members’ fund balances. However, theft and fraud are catastrophic for the few hundred out of the millions of fund members affected each year.

Given superannuation is compulsory, long term and for retirement, there is a very strong public interest argument that in these circumstances individuals should be fully compensated. Labor’s second reading amendment reflects this. In respect of employer insolvency the General Employee Entitlements Redundancy Scheme, GEERS, pays compensation for all unpaid wages, all accrued annual leave, long service leave, pay in lieu of notice and up to 16 weeks redundancy entitlements, as per community standards. Statutory entitlements and community standards are covered, except for one—unpaid superannuation contributions, the superannuation guarantee.

Each year some 20,000-plus employees miss out on approximately $100 million in mainly compulsory superannuation contributions. This figure is an updated one based on the Australian Taxation Office compliance program 2005-06. Often the unpaid super is greater than other protected entitlements. For example, a worker on a wage or salary of $50,000 a year who has, under GEERS, three weeks annual leave owing and a week’s notice would receive approximately $4,300, but the unpaid super would amount to $4,500. So that statutory superannuation payment is unprotected. Labor’s second reading amendment calls on the government to consider extending the GEERS to protect this major statutory entitlement—superannuation. I move Labor’s second reading amendment:

At the end of the motion add:

“but the Senate notes that:

(1) Given Australian workers and their families are:

(a) not provided with full compensation in the event of theft and fraud from a superannuation fund; and

(b) not provided with compensation for the loss of statutory 9% Superannuation Guarantee contributions in the event of employer insolvency under the General Employee Entitlements Redundancy Scheme (GEERS). Even though GEERS does pay other statutory entitlements such as unpaid wages, accrued annual leave, long service leave, pay in lieu of notice and up to 16 weeks redundancy entitlement.

(2) Given that superannuation is compulsory, long term and for retirement, the Senate calls on the Government:

(a) to expand compensation for theft and fraud to 100% using the existing compensation mechanism; and

(b) examine the inclusion for payment of unpaid Superannuation Guarantee payments within the GEERS.

Senator MURRAY (Western Australia) (12.49 pm)—The Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005 amends three superannuation acts: the Superannuation Act 1976, governing the operation of the Commonwealth Superannuation Scheme, known as the CSS; the Superannuation Act 1990, governing the operation of the Public Sector Superannuation Scheme, known as the PSS; and the Superannuation Act 2005, applying to both the PSS and the CSS.

The bill comprises three schedules. Schedule 1 makes a number of changes to all
three superannuation acts and amends existing legislation such that: board members will be able to participate in board meetings whilst overseas via the use of proxies; the range of people to whom CSS and PSS boards can delegate their powers will be broadened; CSS and PSS boards will be able to require employers to distribute information to their employees as required under the Corporations Act 2001; the new fitness and propriety operating standards under the Superannuation Industry (Supervision) Act 1993 will apply to CSS and PSS board members; and the Minister for Finance and Administration may terminate the appointment of any board member who does not meet the standard. And this of course leads you to ask how that evaluation will be done and how due process will occur.

Schedule 2 amends the Superannuation Act 1976 to allow the CSS board to apply negative crediting rates to CSS member accounts, in effect meaning that the members will bear the investment risk relating to their account balances as appropriate. Schedule 3 includes provisions to rectify the situation where a group of CSS members have received benefits in breach of superannuation laws. The explanatory memorandum states that the bill has no financial implications for the Commonwealth. The bill seems to be amending certain superannuation acts so that the CSS and PSS are brought into line with those standards that generally apply to other funds in the superannuation industry. Consequently, any competitive advantage is removed and, to use that overused phrase, ‘the level playing field’ might be seen to have been created. By broadening the scope of the board members’ delegation powers administrative efficiency may be improved, but of course that is always up to the standard and quality of the people on those boards.

The removal of the restriction and the declaring of negative rates of return will enable a more equitable allocation of investment returns and losses between continuing members and departing members of the CSS. Currently, there is the potential for losses to be borne disproportionally by those members who stay in the CSS. My eye was caught by two items in particular in the Bills Digest. On page 7 the Bills Digest for this bill says:

Should the proposed changes allowing the declaration of negative crediting rates for the CSS not be passed it is unclear if the current wording of the 1976 Act will cover the new Exit Rate policy of allocating investment earnings and losses. This may have significant consequences for the equity with which the CSS investment earnings, and losses, are allocated in the coming years. The retirement savings of continuing CSS members may be significantly affected if the CSS experiences a large number of exits and also experiences significant investment losses at the same time.

I think that is as close as you will get to an endorsement from the independent library service that this bill is very much needed. The second item was in the concluding comments. Once again, I think this affirms the good policy that lies behind this bill. The Bills Digest also says:

If passed, the enduring legacy of this Bill is that the provisions of the SIS Act, relating to the fitness and propriety of superannuation trustees and licences will apply to the CSS and PSS boards. This brings the prudential supervision of these funds further into line with arrangements applying to other Australian superannuation funds and schemes.

That too endorses the policy of this bill. The Australian Democrats do support the bill. We think it is an appropriate bill for the needs. We note the remarks of Senator Stephens, representing the shadow minister. We think that the broad intent of Labor’s second reading amendment is such that it should be supported.
the Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005. Unfortunately, unlike my two colleagues who spoke previously, my comments will not be brief. There is a very small section of this bill that impacts on a very small section of our population—in fact, on 12 or 13 people, to be precise, out of 20 million. The effect of this legislation on those 12 people has been somewhat devastating and disastrous. I think a large amount of time is warranted to actually lay out the facts about the fine print of this legislation and to uncover the devious nature of this government in that, when they are asked to do something for a small number of people, they turn their backs on them. I am quite surprised at the delay in bringing this bill before the Senate. We were expecting it months ago. We have had discussions with Senator Minchin’s office about the particular aspect that I am going to talk about. I am extremely disappointed that more effort has not been made to try to accommodate the needs of these 12 or so people.

This bill covers a number of elements to do with superannuation—we know that. But I specifically want to talk about the validation of certain lump sums. You will find it, in fact, in the back of the explanatory memorandum and in this bill almost in the very last lines of the last page. In fact, in the second reading speech given by the minister on tabling this bill, there is one sentence to do with it. He said:

The bill will also amend the Superannuation Act 1976 to authorize a small number of CSS benefit payments that were incorrectly paid.

Again, the opening paragraph simply makes a cursory remark about this. He said:

The bill ... authorises certain payments made incorrectly to a small number of CSS members.

We know that there are a small number of CSS members, but it actually took many months to discover how many members we were in fact talking about, the implication of this minor amendment in this omnibus legislation and the impact it was going to have on certain people. The section seems to be rather minimal. On the face of it, it simply seeks to ensure that the lump sum payments made under section 111A of the Superannuation Act 1976 are in fact valid. But for at least some members of the public this decision has been unfair and unjust, despite promises that something would be done to ensure that this dozen people would not be disadvantaged.

This sparked a discussion when it was discovered that perhaps some lump sum payments had been made incorrectly. This sudden adherence to a relevant legal opinion obtained by the Commonwealth Superannuation Board emanates from the application of the benefits payable under the Commonwealth Superannuation Scheme. In particular, my encouragement, I suppose, to stand up today and talk about this at length is to do with a particular constituent of mine—a very eminent, well known and well respected educator in the Northern Territory who is in fact the principal of the local primary school that my kids have gone to at Leanyer. It has long been an established practice in the Northern Territory that, if you were employed by the Public Service Commissioner, you reached 55 or the five minutes to midnight and you were a permanent member of the teaching service, you could in fact retire, take your pension and lump sum payment under the Commonwealth Superannuation Scheme and then continue your employment on contract—not with the Northern Territory Public Service as a permanent educator in the Northern Territory government but, rather, on contract employment with the Department of Employment, Education and Training.
I think that in fact signals some problem with the application of this legislation—whether or not a person who does that meets the condition of release. This government and, I think, the Commonwealth Superannuation Board would say that it does not meet the condition of release. No doubt the constituent I am talking about and the people who have gone before him believe they do. I have yet to see legal opinion that supports that stance one way or the other. But, if you are employed permanently by the Northern Territory Public Service Commissioner and you then retire and take up a senior executive contract signed between you and the secretary of the education department, I would have thought there was a change in your employment circumstances and you would meet the condition of release. So going from permanent to contract, being employed by the Northern Territory Public Service Commissioner as opposed to the education department, I would have thought would have been a large enough trigger for this government to say: ‘All right. We’re going to bring down the guillotine here in respect of a legal opinion we’ve had about previous lump sum payments but, because it’s going to affect just 12 others in this country, we’ll just move the goalposts a little bit.’ But, no, these people dig their heels in and, at worst, misled these people prior to the 2004 election—but I will get to that in a minute.

As I said, when people made this move, they would access their pension and their lump sum. In the case of the constituent I am referring to, a change in circumstance occurred in February 2001. That person chose not to be an ongoing active member of the scheme at that time; in fact, he deferred his benefit. Instead of deciding to action his benefit in 2001, he put it off until June 2004. We move ahead in time to June 2004, and my constituent decides to renew a contract—that is not the first contract but a renewal of a senior executive contract with the Northern Territory Department of Education and Training. In signing the second contract, he decides he will access his deferred benefit in June 2004. But, suddenly, the application is denied: ‘You can’t access your lump sum benefit.’ He says, ‘Why is that?’ We find out 150 colleagues before him have been able to do that. He is told that he actually has no entitlement.

On 24 June 2004, he signs a contract. On 25 June 2004, he applies for a benefit from the Commonwealth Superannuation Scheme entitlement. On 28 June, he gets a letter saying he has got no entitlements; they are being disallowed. One would think that, if you applied for your deferred benefit and in the space of four days were told you could not have it, you could expect a comprehensive, reasonable explanation from either the minister’s office or the Commonwealth Superannuation Board about why that was the case. But, between this person and me, it took us months to get to the bottom of this story and finally, I might say, receive letters apologising for the incorrect information and misinformation that was given to this person.

In terms of a lump sum payment, we have got at risk nearly $192,000 for this person alone, and that has now increased. We see one line in a second reading speech or the fine print in an omnibus bill on superannuation and we give it some cursory sort of tick and flick in this place, but it impacts significantly on people’s lives. This is one case in particular that I wanted to highlight today. Numerous letters and questions have been generated that I think led to a gross lack of frankness by this government about the decision they took—an absolute lack of honesty and transparency. The constituent I am talking about—and I know this person does not mind if I use his name; I spoke to him two nights ago and he is happy for me to raise his case—Mr Gray, then says: ‘Why has the
guillotine suddenly come down on me? What has happened? What is going on here?

He seeks to get some answers but he does not get any answers. He is simply advised that suddenly the regulations have been interpreted in a different way. So he asks: ‘How have they been interpreted in a different way? What is different in that interpretation from what has previously been advised?’

There are no satisfactory answers. I have got a file full of correspondence that I have been cc-ed on between Mr Gray, Senator Minchin’s office and the Commonwealth Superannuation Board, who are all trying to find a reasonable explanation as to why suddenly 150 people are in and some people are out.

Remember this process all started in June 2004. The clock is ticking. We have a federal election on the horizon. Someone says: ‘Oh my God! Perhaps we’ve got a problem on our hands if we’re too honest with these people prior to a federal election.’ So Mr David Tollner, the member for Solomon, steps in—Mr David Tollner, who purports to be an expert on superannuation: fine on the big picture, sadly lacking on the detail when it comes to a very fine and well respected constituent of his seat of Solomon. Senator Minchin writes to Mr Gray and says:

Following representations from David Tollner on your behalf, I am pleased to confirm that a re-elected Coalition Government would conduct a review—

good one, you might say—
to examine the circumstances of CSS members such as yourself that have been unable to access their CSS benefit following a change in their employment conditions.’ So he does acknowledge there is a change in the employment conditions.

You might ask yourself: why doesn’t that satisfy the conditions of release—a little bit of inconsistency coming out here?

Such a review would encompass those members who had acted in good faith prior to the announcement of the change in ComSuper’s interpretation of this provision.

We come and go, the election is held and the coalition government is re-elected. We wait with bated breath for the ever-promised review. Does it happen? Yes, it happens all right. It happens internally. Do people like Mr Gray get asked about their view in this review? Not at all. In estimates of last year—so we are now 18 months down the track—I asked:

Who undertook that review?

Ms Doran from finance and admin says:

Members of my division.

Senator CROSSIN—How? By accessing single files? What was the nature of the review?

Ms Doran—They worked with ComSuper on the details of the types of individuals covered, looking at their circumstances and their relevance to both the SIS and the CSS legislation...

Senator CROSSIN—Were there some terms of reference for this review?

Ms Doran—Not in a formal sense.

… … … …

Senator CROSSIN—So the review occurred by looking at individuals file by file and circumstance by circumstance.

… … … …

Ms Doran—Not so much file by file, but based on their broad circumstances.

So, really, we have never got to the bottom of exactly what that review entailed. All I know is this: Mr Gray, it now transpires, is one of 12 or 13 people in this nation affected by this application. They were never written to about the review and were never ever asked for any input. I asked questions on notice about how and why this decision was made. I finally got an answer back in April 2005 that said:

No formal review has been undertaken.
A decision to simply bring down the guillotine was made when the Commonwealth Superannuation Board had a look at the circumstances after a concerned member had a query about superannuation entitlements where a Commonwealth agency may be sold.

The bottom line is this: the letter prior to the 2004 election was simply a letter to appease people like Mr Gray. There was never any intention to conduct any sort of genuine review. It was simply a letter in the name of Mr Tollner and the Minister for Finance and Administration to ensure that no such review would occur. The government had well and truly made up its mind in 2004 that those people who had accessed a benefit could keep it and that those people who had applied for a benefit, deferred a benefit or sought access to a benefit in a very small window of time would be totally cut out of the loop.

You have to ask yourself: why would the government do that for only a dozen people? The department tells us, ‘When you get a legal decision you get a legal decision.’ But the bill actually determines a date on which that decision will be applied. For the life of me, I still cannot get a reasonable explanation as to why those 12 people—who had applied, whose applications were in train but who had not yet received their benefit—are not included in this legislation.

To be fair to Senator Minchin, I got a letter back in May last year which said: I intend to write to Mr Gray as soon as I am informed of my Department’s findings.

My understanding is that that never occurred. The letter also stated that I would be provided with a copy of the minister’s letter; I have not received any letter in respect of or further to that review either. You have to ask yourself why it is that the government would not assist those 12 members to access their deferred benefits. Was the promised review an election stunt to appease them, so that they would be led to believe the whole time that they were going to be assisted and helped to get their deferred benefits? So far there has been a shallow response—little action and no depth.

And then Mr Gray got a letter from CSS in November 2004. Interestingly enough, this letter makes some apologies for the misinformation. What does it say? Interestingly enough, it goes to the fact that the regulations had not been interpreted differently. It goes on to say that in fact the CSS had obtained a different and new legal opinion that meant that the application of the deferred benefit meant that people who had received it previously had done so illegally. The question is: why has it taken 18 months to get some truth out of the CSS board? Why has it taken 18 months to get some truth out of the minister’s office? Why has it taken 18 months for people like Mr Gray to get some satisfaction on their queries about the answers given as to why they have not been able to access their lump sum payments?

After assisting Mr Gray and digging around on this, I have simply come to conclusions about a number of things. There was never any real intention to have any kind of genuine review. Once the decision was made, in June 2004, that was it. People like Mr Gray have been seriously misled. There were high expectations and an anticipation that this matter would be resolved but, all along, the government had no intention of doing that. The government was not instructed by this minister to assist the Commonwealth superannuation people to go out of their way. There was no genuine attempt to put pressure on the CSS to try and get the matter resolved.

We now find, after many months, that people have been able to access their pension entitlement under the deferred scheme and
that their lump sums have now been rolled over into another scheme. That was Senator Minchin’s answer for the 12 people late last year and early this year. But that is not what some of them wanted. Some of them wanted to be able to access their lump sum payment. It is a second-rate response to assisting those people, to go ahead and say to them, ‘You can draw down your pension from your entitlement but you have to still roll your lump sum into another scheme.’ Mr Gray received a letter from Senator Minchin on 1 June 2005. It said:

… when you applied to commence taking your benefit in June 2004, a few weeks after the error was discovered, the CSS Board and ComSuper were under a legal obligation to not pay your benefit.

… … …

My department has concluded that, even allowing for the initial error that has affected a number of CSS members, ComSuper could have handled your situation with more clarity— an admission, at least— particularly in relation to the two issues outlined above.

Senator Minchin goes on to say:

You are right to be upset at the way you have been treated and, notwithstanding the complexity of the circumstances, I appreciate your frustration at the lack of a clear explanation of your overall position.

Finally there was at least some acceptance of Mr Gray’s anticipation and frustration, and the lack of action on the part of the minister’s office was acknowledged. But that letter is dated June 2005. It was ‘timely’ because it was some seven months after the federal election. I have come to the conclusion that the promise of a review and the creation of anticipation that the matter would be resolved were, taken together, nothing more than an election stunt to protect Mr Tollner and ensure his re-election. This is a man who is fine on the superannuation big picture but who let down a constituent. Mr Tollner was the man most able to support and get a resolution for Mr Gray, and he has sadly failed in that.

Debate interrupted.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2006

Second Reading

Debate resumed from 17 August, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator STEPHENS (New South Wales) (1.15 pm)—The International Tax Agreements Amendment Bill (No. 1) 2006 is essentially driven by the need to change Australian tax law to facilitate the pursuit of non-residents living in Australia who have foreign tax liabilities. The government is seeking to aggressively align the Australian international taxation system with the OECD model tax convention. Article 27 of this convention provides for mutual assistance in the collection of tax debts. Under many of Australia’s tax treaties there are reciprocal obligations to take measures to pursue persons who have tax debts in one of those jurisdictions. This usually requires a change in the enforcement and investigation powers in each hosted jurisdiction.

There are a number of Australian residents with foreign tax liabilities. According to advice from Senator Kirk, who we know is a constitutional lawyer of great repute, the current statute law does not permit the commissioner to seek to retrieve these funds directly. In order to pursue the matter, the commissioner would need to take Commonwealth action on a case-by-case basis.

Schedule 1 allows the commissioner to create a register of taxpayers with foreign country tax debts and apply the tax collection conditions operative under Australian tax statutes. Provisions are also included to al-
low conversion of payments in foreign currency from foreign governments to repay Australian tax debts under the reciprocal arrangements of the OECD tax treaty system. Schedule 2 gives the commission information-gathering power for overseas tax debts. This follows measures in schedule 1 and permits exchange of information between nations otherwise captured by tax secrecy laws.

The schedule on the protocol with New Zealand aligns the Australia-New Zealand tax protocol with the OECD model tax treaty, clarifies where information can be exchanged and modifies the agreement to provide for enforcement action by officials on behalf of the other country. There is also a most favoured nation clause, which ensures Australia benefits from the reduction that New Zealand makes under treaties with other nations.

Labor supports these measures, as it is generally committed to the adoption of the OECD model tax treaty. In particular, there is no reason why Australian tax authorities should not cooperate with countries in the pursuit of tax debts if a satisfactory double tax treaty is in place.

I now take this opportunity to make some comments in relation to international taxation. Labor is listening to representations that have been received in the area of international tax. Particular concerns have been raised by Australian fund managers on this issue. Australia currently levies a rate of 30 per cent on income and foreigners earning dividend income in Australia. That is, if an overseas resident places money with an Australian managed fund to invest on their behalf they will pay 30 per cent withholding tax on the earnings as they are paid out. The industry argues that there are benefits to be gained, both to the industry and to the economy as a whole, from a reduction in the withholding tax to a more competitive rate.

Some sections of the Australian business community have called for imputation credits on foreign shares. In other words, if an instruction investor or company invests in a foreign company then this investor should obtain an imputation credit for company tax paid in the other jurisdiction, but this would be paid by the Australian government.

Labor is looking at all options at this stage. Still, there are some cautionary points to be made. Firstly, imputation credits on foreign shares is a very expensive measure. Secondly, it needs to be asked why Australian taxpayers should be responsible for paying imputation credits when the company tax has not been received by the Australian government.

In relation to the issue of dividend withholding tax, there is a benefit of having parity between the company tax rate and the dividend withholding tax rate. This would mean that the tax rate a foreign investor paid on dividends invested here was less than the tax paid by an Australian investor on Australian shares. This would, therefore, place Australian investors at a relative disadvantage. Some of these issues need to be considered very closely. Labor will follow the implementation of this legislation with great interest.

Senator IAN CAMPBELL (Western Australia—Minister for the Environment and Heritage) (1.19 pm)—in reply—I thank the opposition senator for her contribution and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.
TAX LAWS AMENDMENT (REPEAL OF INOPERATIVE PROVISIONS) BILL 2006

Second Reading

Debate resumed from 16 August, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator MURRAY (Western Australia) (1.20 pm)—The purpose of the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 is to repeal substantial amounts of inoperative tax law, including 2,600 pages of income tax law and 1,500 pages of other tax related acts. As you are probably aware, Mr Acting Deputy President, over the last 10 years plus I have had the somewhat dubious distinction of having to deal with virtually every single tax bill that has come through the Senate chamber, bar a couple of minor ones. Over recent years I have made it a practice to continually make the point as to how many more pages we were adding with a particular bill that was before us. I was pleased to see that the international tax law bill we dealt with earlier was quite thin. Here we have nearly 200 pages of additional legislation to get rid of 2,600 pages. It shows what a very difficult task this is.

The bill is arranged into six schedules. Schedule 1 repeals inoperative provisions in the tax laws. Inoperative provisions are those that no longer apply to taxpayers. Schedule 2 contains consequential amendments to various pieces of Commonwealth legislation, which are required because of the effects of schedule 1. Schedule 3 repeals provisions in income tax laws which have been identified as becoming inoperative in the immediate future. So it is a prospective schedule.

Schedule 4 makes consequential amendments arising from the operation of schedule 3. Schedule 5 contains two parts. The first part repeals 68 tax law acts that have been identified as inoperative. The second part makes consequential amendments to 30 acts required because of the schedule 5 part 1 repeals. Schedule 6 is divided into three parts. Part 1 provides for the application of the amendments made by schedules 1 to 5, part 2 has a general savings provision, and part 3 has other saving provisions and transitional arrangements. These provisions are designed to preserve powers, duties, rights and obligations in relation to the time before the repeal or amendment.

I particularly wanted to talk to this bill, even though it is in the non-controversial section, because I think it is a good time to congratulate those people—those bureaucrats—responsible for identifying the inoperative provisions and acts. It can be hard enough to work out which provisions are operative, let alone which are inoperative. It is an extremely difficult task at the best of times, even for those who may be considered tax professionals, and those involved are to be commended for their efforts. I wish to offer those congratulations in person to the officers here and to the officers listening.

Identifying the inoperative provisions is a critical first step in simplifying tax laws, and the difficulty involved in that task alone should not be overlooked, ignored or forgotten. Australia has an extremely complex set of tax laws. Although the 1936 Income Tax Assessment Act, when enacted, was only 120 pages, by 2006 the combined length of the 1936 and 1997 statutes was more than 8,000 pages long. As Mr Gary Banks—who has been around forever it seems; he is the chairman of the Productivity Commission—noted in an address to the Conference of Economists Business Symposium in 2003:

Were the rate of this growth to continue unabated, I am informed by the end of this century the paper version of the Tax Act would amount to 830 billion pages ... would take over 3 million years of
continuous reading to assimilate and weigh the equivalent of around 20 aircraft carriers!

Although it is extremely unlikely that the growth of the Tax Act will continue on such an expansionary trajectory—it is unlikely, isn’t it?—it nonetheless highlights the facts that Australia has experienced a massive growth in the size of its tax laws since their inception and that it is increasingly important that attention be given to their simplification and reduction.

Recently, the Taxation Institute of Australia commissioned John Taylor, associate professor at the School of Business Law and Taxation at the University of New South Wales, to prepare a report on the compliance and complexity element of Australia’s tax laws. That, by the way, is a matter that is also before the Joint Committee of Public Accounts and Audit, on which I sit—and I am part of that inquiry. The result was Beyond 4100: A report on measures to combat rising compliance costs through reducing tax law complexity. In that report it was noted:

In 2006 the Income Tax, Fringe Benefits Tax, Goods and Service Tax and International Agreements and Superannuation legislation (in some bindings) are published in five volumes that comprise one of, if not the largest, set of tax statutes in the world.

Tax law is an area of law which is inescapable for most law-abiding citizens, and has become an integral part of a modern and civil society. However, as anyone who has ever worked with, or tried to work with, the tax laws knows, it is a very difficult system to navigate through, and cumbersome to use. It is particularly difficult when you are dealing with legislation in this chamber because there is no way you can have the Tax Act with you to refer to and correlate with. The consequence—and it is a dangerous consequence—is that senators are often required to take on trust what is before them because they are simply not equipped to cross-reference and cross-cover the matters. So the need for simplification is essential and obvious to those who care to look.

A simpler system will result in a system that is easier to use and understand. This will be of particular use to small business who cannot always afford professional tax advice, as well as those in the tax profession who must work with the tax laws on a daily basis. Even the student at university—I have been known to employ a few—will benefit from a simpler set of tax laws when they are required to study it because of their university course.

The explanatory memorandum to the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 contends:

The measures will reduce compliance costs for tax practitioners, and provide material benefits to practitioners and taxpayers who read, interpret and apply the tax laws.

That is a big claim and I hope it is a good claim. I am inclined to believe it. This conclusion is consistent with another of Associate Professor Taylor’s findings in Beyond 4100:

Empirical evidence suggests that, for individuals, the sheer size of the statute increases both the cost of compliance and the likelihood of non-compliance. Company tax has been found to have still higher compliance costs both in absolute terms and as a percentage of revenue collected.

While any effort to reduce compliance costs—and complexity—should be viewed in a positive light, it seems that there has yet to be any work done on forecasting or predicting the magnitude of the expected reduction in compliance costs. I do not expect such work to be done, because I think it would be almost impossible to do.

PricewaterhouseCoopers, a leading global accounting and consulting firm, are of the opinion, and argue, that while it is true that Australia is:
... notorious amongst OECD countries for the complex drafting and detail of its income tax laws. ... the changes will do little to reduce tax compliance costs.

I was disappointed to note that remark. It is in complete contradiction to my own instincts and to that part of the explanatory memorandum which I just quoted.

Fundamentally, what Australia’s tax laws need is not only a revision of their operative and inoperative provisions but also a change in the way in which provisions are drafted. There needs to be a change in mentality from drafting highly complex and particular provisions to those which express and encapsulate overarching policy objectives and themes. This is a view which is also put forward by Associate Professor Taylor in Beyond 4100.

I commend to the tax office and the Treasury some of the remarks that have already made in the Hansard record of the Joint Committee of Public Accounts and Audit in its inquiry on tax with respect to the desirability of more draft exposure legislation in tax. Of course, I am commending it to you because I made those remarks myself, but nevertheless I think they have virtue and I ask the tax office and the departments to have a look at them.

Simplicity, along with equity and efficiency, is often considered to be one of the characteristics of a good tax system. At present Australia has a system that is far from simple. The Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 is an important and essential step in any greater efforts to change our tax law system and should be regarded as a positive step in the right direction. However, it is only part of the solution. I urge that the government build on this solid foundation and continue in its efforts to simplify Australia’s tax laws. As the Australian Democrats have long advocated a tax system that is fair, progressive, simple, transparent, effective and flexible and that has ease of compliance and encourages civic responsibility, we obviously welcome this bill and its entry into the Senate. Further, as this bill has the end goal of simplifying Australia’s tax laws, I am obviously of the view that we should support this bill, and we do support this bill.

In conclusion, I have noted some remarks elsewhere concerning this bill of a somewhat mean nature, I thought. Personally I think the Treasurer is to be congratulated on this initiative because I think getting rid of a substantial swathe of tax laws is an achievement on its own.

Senator STEPHENS (New South Wales) (1.31 pm)—In noting Senator Murray’s contribution to this debate, I have to say that we in the Senate Economics Committee rely heavily on the fact that he has been representing and interpreting tax bills in this place for a decade or more, and that corporate knowledge is something that guides us in our deliberations about the legislation.

Senator Murray— Probably why it’s such a mess!

Senator STEPHENS—I hardly think so. While Senator Murray commented about the extent of our current tax legislation, the fact that we are here debating the repeal of inoperative provisions is testament to the fact that we have one of the most complex taxation systems in the world, and something desperately needs to be done about it. In fact, what we believe is that in reality the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 is an admission of enormous failure by the government when it comes to taxation legislation. Since the Howard government came to office the tax act has actually expanded by some 10,000 pages, and this has made the system much more complex and more confusing for taxpayers and has increased business costs.
In desperation the government asked the Board of Taxation in 2003 to identify inoperative provisions of the tax act. The board reported to the Treasurer in October 2005, identifying some 1,900 redundant pages of legislation. We need to be very clear about this legislation that is before us today: this is just taking away provisions that do not apply. It does not consider provisions that do not work well or are not used but provisions that have no legal effect. The Board of Taxation found 1,900 of these pages—an enormous number. It was a massive admission that 20 per cent of the tax act in Australia was of no legal effect, which is quite a scandalous record in tax legislation.

But then Treasury added a number of redundant sales tax acts to the list, leading to a reduction of some 4,100. That is not 4,100 pages reduced in the income tax acts at all, so the kinds of claims that are being made about the legislation and what it is going to achieve for us are quite complicated and a bit disingenuous. Major commercial publishers have agreed to print an archived volume of repealed provisions, so even these repealed provisions will not actually disappear from the shelves of tax practitioners. In addition, savings provisions come into operation by virtue of the Acts Interpretation Act. A repeal does not affect the operation of the act while it was in force. So the claim that 4,100 pages have been cut from the tax act is in fact quite an exaggeration.

However, the major problem is that repealing redundant provisions does not actually reduce the complexity of the act. The complexity in the operation of the tax system is naturally driven by the provisions that are operative. So in repealing the inoperative provisions the Treasurer, Mr Costello, is simply sanding back some of the rough edges of the structure. He is not reforming its fundamental shape.

The economic benefits from this measure are not significant, whereas real reductions in the compliance costs of tax for small business would enhance returns, economic growth, employment and tax revenue and would also lead to lower prices in a more competitive market. So in fact this bill is a missed opportunity for the Howard government. Although Labor welcomes the bill, we are calling on the government to actually do something that makes the operative provisions of the act work better. This, we believe, is just a half-baked effort. It does not go far enough.

Importantly, though, it should be noted that in some cases in this bill the government is not purely repealing provisions but also changing the law in only small ways. In the previous debate, we heard what the effect of a small change to an act can be and how it can have quite significant impacts on small sectors of the community. The best example is the change to section 26(e), assessable income of goods in kind. This has been rewritten and the operation of the act changed in a minor way. The point is that this bill is really mistitled. When savings provisions and rewrites are considered, the bill involves much more than the repeal of inoperative provisions.

As I say, the best example in this legislation is section 26(e). This makes goods received in kind assessable income, but it is never used due to the operation of the fringe benefits tax regime. What should really happen is that the 26(e) regime should be repealed and consequential amendments made to the fringe benefits tax laws. But the government has not done this; it has just rewritten 26(e). It is not much of a rewrite at all, actually. In fact, it certainly does not reduce the act at all. Again, it is an example of another wasted opportunity.
I would like to make some comments now about the Taxation Institute of Australia’s report, provocatively entitled *Beyond 4100*. The contents certainly justified the title, as the report indicates a range of areas in which real reform of income tax law can proceed. The *Beyond 4100* proposals are about substantive tax reform, in contrast to which the current bill appears rather cosmetic. Some of the recommendations of the *Beyond 4100* report are more easily accepted than others. Still, the most conservative and uncontroversial recommendations request that provisions that are either almost never used and cannot be enforced should be repealed or redrafted. Labor thinks the report is an excellent contribution to the debate and now formally indicates its support for some of the less controversial and more easily implemented elements of the report.

I move the second reading amendment standing in my name:

At the end of the motion, add:

“but the Senate:

(1) Notes that while technically operative, the following provisions of the *Income Tax Assessment Act 1936* (ITAA) are unnecessary and should be repealed;

(a) in the ITAA, 26(b), 26(e), 38 to 42; 94, 102, 108, 109, Part III Div 3 Subdivision D, Part III Div 6A, Part II Div 9C, and Part III Div Subdivision 11B; and


(2) Notes that the following provisions of the *Income Tax Act 1936* (ITAA) are rarely used or enforced;

(a) ITAA, 95A (2), with consequential repeal of 98(2) and amendment to 99 and, Division 6D of Part II (ultimate beneficiary non-disclosure statement); and

(3) Calls on the Government to present to the Joint Committee on Public Accounts and Audit, within 6 months, proposals for the redrafting or repeal of these provisions to further simplify the operation of income tax law”.

*Senator Murray* (Western Australia) (1.38 pm)—by leave—I omitted to mention in my speech that I have absolutely no idea as to whether the clauses in Senator Stephens’s second reading amendment apply, but I like the intent and I will support it.

*Senator Ian MacDonald* (Queensland) (1.38 pm)—I think all senators and all Australians would welcome any attempt to simplify the tax laws. I listened with interest to Senator Murray’s very learned contribution to the debate and now formally indicates its support for some of the less controversial and more easily implemented elements of the report.

This is an attempt by this government to in a small way simplify the tax laws, but I think it is a little rich of the Labor Party to be moving second reading amendments to call, as I understand it, for more simplification when one might recall that, since we have been in government, the Labor Party has been a cause for proliferation of complex tax legislation. I need only to go back to the GST debate to indicate that a simple taxing arrangement under the goods and services tax was knocked off by the combination of the Labor Party and the Democrats. I concede that the Democrats allowed the principles of the bill to come in, but in doing so the government had to allow for a lot of exemptions from the simple scheme, which made that piece of legislation far more complex than it needed to be. It is no use rehashing that debate at the moment, but suffice it to say that, had the Labor Party supported that simple
taxing measure in those days, at least one piece of legislation would have been simple. Even in those days the Labor Party—

Senator Murray—Simpler, I would say.

Senator IAN MACDONALD—It could have been much simpler, Senator Murray, had it not been for your amendments—which, as I say, I acknowledge were gratefully received at the time, because we were able to discharge the promise we made to the Australian people to bring in a goods and services tax. Unfortunately, we were not able to discharge all of the promise to bring in a simple system of goods and services tax, and it has turned out to be quite complex, as you rightly confess to, through your involvement. As I say, it is no use rehashing that now, but I was always of the view that the concerns you and your party and many of us had about increasing costs to various elements of society could have been better addressed in a way other than interfering with a taxing bill. Having said that, the calls that both the previous speakers now make for simplification have a touch of irony in them in that both those parties have been the cause in one bill—not this bill we are dealing with—of making tax laws far more complex than they needed to be.

There are, of course, simple ways to fix the complexity of tax. At various times people have called upon the abolition of income tax across the board—not that I am particularly advocating that today, but I do think governments should be working towards a system where tax is paid and tax returns lodged only for those above a certain limit. I will not even attempt to guess what the limit should be. The tax laws become very complex because of exemptions and concessions that governments make. If there were a simpler way of addressing the underlying principle of taxation so that you did not need to allow all the complex concessions and allowances, that would be a goer well worth attempting to achieve. But I think there is merit, particularly as far as ordinary taxpayers are concerned, to look towards a system where most Australians would not have to lodge income tax returns at all. There are other ways of raising tax. Perhaps if we had not been so generous to the Labor states and given all the GST money to the states we could have had substantial concessions in the tax we collect under the income tax and associated acts. The states, particularly my state of Queensland, are rolling in money as a result of the GST. They never concede that, but the facts speak for themselves. Queensland has done exceptionally well.

Many people still think that the GST is a tax that the Commonwealth collects and keeps. Of course, it does not keep it. It all goes to the states—all of which, regrettably, are Labor states; all of which are or should be rolling in money. But, in my own state of Queensland, they cannot keep the health system operable, they cannot keep police on the beats and they cannot do anything about the desperately needed infrastructure, particularly in south-east Queensland. One would have hoped, with all of the GST tax revenue that Queensland has received, that the state Labor government might have been able to do that. Unfortunately, as with all Labor governments, mismanagement of financial matters, increases in the number of public servants, increases in bureaucracy and putting mates into the Public Service—it has become quite politicised in Queensland at the moment very regrettably—are the sorts of things that happen when you trust Labor governments with big licks of money. Unfortunately, in those days we were desperate to get the GST legislation through and needed the states onside, but in retrospect perhaps we should have imposed more conditions on them. Perhaps we should have called for accountability in the way that they spent the
money because, looking from this chamber at all of the states, particularly my own state of Queensland, the lack of accountability for the spending is something that is almost criminal.

I want to use the opportunity of this debate to raise the issue of the zone tax scheme. Perhaps, tongue-in-cheek, I could suggest that this bill could have been extended to remove from the income tax acts all reference to the zone tax scheme—that is, abolishing it. I say that tongue-in-cheek because the effect of the zone tax scheme as it was introduced in 1945 is no longer with us. In 1945 the scheme was introduced to provide special income tax concessions for people residing in certain remote zones of Australia. The ATO website actually says that it was introduced in recognition of the disadvantages that taxpayers are subject to because of the uncongenial climatic conditions, isolation and high costs of living in comparison to other areas of Australia. That applied in 1945. It applies equally today but perhaps not with the boundaries as they were in 1945.

For example, I live in Ayr, in coastal North Queensland about an hour south of Townsville, and I still get a zone tax allowance. I think it is $54. I do not consider that where I live has uncongenial climatic conditions, that it is isolated or that the costs of living are all that much higher than they are in the capital cities. They are higher, but not all that much higher. So perhaps places such as where I live do not deserve that $52 to $54 allowance—it is some figure in that order. I suspect if it were taken away, few taxpayers would even notice it. In discussions I have had with the Treasurer, he rightly says that if you take away any sort of concession that anyone gets, it has unfortunate consequences. I do not know that I agree with him and I might say that this issue of zone tax is, I suspect, the only area where I disagree with the Treasurer, who is quite clearly an exceptional Australian and an exceptional Treasurer. As I say, quite clearly Australia’s best Treasurer ever—

Senator Webber interjecting—

Senator IAN MACDONALD—and a guy who has done a fantastic job.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Senator Webber, you have been running a continuous commentary which is quite audible. I would ask you to please remain silent while Senator Macdonald is speaking.

Senator IAN MACDONALD—Regrettably, Mr Acting Deputy President, I have not heard the running commentary.

The ACTING DEPUTY PRESIDENT—Regrettably, I have.

Senator IAN MACDONALD—I can guess that it is saying, ‘Good on you; good point. I agree that Mr Costello is the best Treasurer ever.’

Senator Webber interjecting—

Senator IAN MACDONALD—It is a pity I have not heard the commentary, because I am quite sure that the senators opposite would be agreeing 100 per cent with everything I have said, including my praise of the best Treasurer Australia has ever seen. But, in the area of zone tax, I do think that further investigation is needed.

There are parts of my state of Queensland and other parts of Australia where a zone tax rebate is needed because the conditions in those areas, the isolation and the extremely high cost of living do deserve and need, in my view, assistance from the government. I think it is essential that today we revisit the 1945 zone tax rebate scheme and reimplement the principles that were so prominent there in legislation. In 1945, when that scheme was first introduced, the basic wage was about $7.38 per week, in today’s monetary system. The zone allowance in those
days was $80 a year in current currency. So that is about 10 times the average weekly wage. Today the average weekly wage is about $700 a week, but the zone allowance for the year in remote areas is $338 per year, about half the average wage. If the relativity were maintained today, as it was originally, at 10 times the average wage the rebate would be something like $7,000 per year instead of $338 per year.

There is the huge and critical difficulty that country people have in getting access to health professionals, indeed professionals of all types—not only professionals but tradespeople as well. There is an extra cost; there is an inconvenience of living in some of the remote parts. For example, you cannot slip down to the next suburb to go to a concert; you cannot slip down the road and see a major sporting event. You certainly cannot go down to the end of your street and see a doctor. If you want to access a lawyer in some of these remote places, you have to travel for a minimum of six, seven or eight hours.

There are inconveniences and high costs of living in parts of country Australia and they do engender and promote two different classes of Australians: those who live in the capital cities and have all of the resources and lifestyle attributes there, and those who live in the more remote parts who can barely get access to the most necessary support—that is, in the health area. It is worst in Queensland because the current government is very much a south-east Queensland government. They look after the south-east and all of their focus is on it. They built a footbridge across the Brisbane River so that the good citizens of Brisbane—which is part of my electorate, I might add—could have a nice walk across the river. That bridge cost an enormous amount of money, whereas hospitals up in the north-west—even hospitals in Townsville, which is a major provincial city—are suffering for lack of money.

Yet the current Labor government just spends money on the high-profile, feelgood things like the new sporting stadium in Queensland that gave Mr Beattie the opportunity of, yet again, smiling and grinning and telling everyone how good he is and how he looks after them. He is only interested in that area of the state because, of course, that is where all the voters are. He does not worry about those of us in the north or the west—out of sight, out of mind. Even if they all vote against him, it is not going to make any difference to the huge majority he has in parliament.

But I digress. I want to return to the issue of the zone tax rebate. I was told in my discussions with the Treasurer that there are suggestions that having a different rate of tax for different Australians could be unconstitutional. That may be the technical legal view from some of the QCs or very learned legal people in the Attorney-General’s office, but it is not one that I would suggest, from my very limited understanding of law, would hold water. One very strong reason I have for saying that is that it has been in place now for more than 60 years and no-one has challenged it yet, so I do not think suggesting that we should not look at it on the basis that it might be seen to be unconstitutional is a relevant response.

There should be ways that we can assist those who live in the more remote areas and this zone tax rebate scheme, when it was first introduced, was a great way of doing that. It has been sort of added to over the years, but it has not kept pace with inflation and now does not have anywhere near the impact that it had when it was first introduced and that it was intended to have. I suggest, tongue-in-cheek, that this bill could perhaps be added to by removing all reference to the zone tax rebate scheme because, quite frankly, it is now hardly worth the paper it is written on. But, rather than remove it, I would suggest
that the Treasury should be looking at some way to bring it back to the principles that were so very obvious when it was first introduced and are so very obvious now. Any legislation that starts or continues the process of attempting simplification is one that we should support and I certainly commend the bill to the Senate.

Question negatived.

Original question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

PRIVACY LEGISLATION AMENDMENT BILL 2006

Second Reading

Debate resumed from 4 September, on motion by Senator Kemp:

That this bill be now read a second time.

Senator STOTT DESPOJA (South Australia) (1.57 pm)—It gives me a great deal of satisfaction to see the amendments in the Privacy Legislation Amendment Bill 2006 before the parliament today. One aspect of the legislation before us is the issue of, finally, protecting in law genetic information. I have previously apologised in debates such as this for sounding like a broken record, but I have long campaigned for the protection of genetic information in law and to ensure that at some stage we outlaw discrimination on the basis of people’s genetic information.

In the debate on the original legislation, or the legislation that extended the Privacy Act to the private sector, I moved comparable amendments to these amendments in an attempt to protect genetic privacy. As I recall, on that occasion the Australian Labor Party supported those amendments but unfortunately they were rejected by the House of Representatives and, when they came back to the Senate, the Labor Party folded on those particular amendments. So it has taken a long time to get these protections in law, but I congratulate the government on finally acting.

The most recent impetus for these amendments has been the groundbreaking, comprehensive and world-class work that has been done by the Australian Law Reform Commission, specifically their report Essentially Yours: The Protection of Human Genetic Information in Australia. This examined the protection of genetic information in Australia. That report, No. 96, actually reported in March 2003. It has been a long process to see some of those recommendations find their way into legislation. I introduced a private member’s bill in 1998, which seems a rather long time ago now—the Genetic Privacy and Non-discrimination Bill 1998—in an attempt to deal with the issue of genetic privacy and opposition to and prohibition of genetic discrimination. At that time, as I recall, we did not actually have documented cases of discrimination on the basis of people’s genetic information. That is no longer the case. There are well-documented cases in Australia where people have been discriminated against—whether it is for employment purposes, insurance purposes or others—based on their genetic information. I wonder how different things might have been had we actually introduced legislation—whether it was as a stand-alone model, as the one that I proposed, or amendments to various aspects of current law, an approach that is preferred by the ALRC. I wonder if things would have been different. So this may be eight years too late, but it is better late than never. I am glad to see that Australia will protect on a Commonwealth level people’s genetic information.

There is more to this legislation. I have agreed with the government to this legislation being debated in this non-controversial
timeslot not only in order to facilitate debate but also because of my sheer desperation to ensure that the genetic privacy amendments are not held up. I want to place on record very strongly on behalf of the Democrats that we do have concerns with and indeed opposition to schedule 1. I will not be moving an amendment to that effect, but, in fact, calling on the government to consider some proposals. In relation to this bill generally, it ensures that medical practitioners can continue to access relevant health information available through the PSIS without breaching the underlying foundations of the national privacy principles. Obviously it ensures that genetic information is covered by the national privacy principles and provides for health professionals to disclose genetic information to genetic relatives where there is a serious risk to the genetic relative.

The amendments that I feel strongly about, primarily covered under schedule 2, are those recommendations by the ALRC in relation to genetic information—that is, ensuring that the definition of health information and sensitive information expressly includes human genetic information about an individual. Another recommendation is to permit a healthcare professional to disclose genetic information about their patient to a genetic relative of that patient where disclosure is necessary to prevent a serious health threat to an individual. I am not suggesting that that has ever been anything but quite a complex debate, but certainly I acknowledge and agree with that recommendation. That is under schedule 2 of the bill. I note for the record that there are around 140 recommendations contained in that ALRC report. I know that the government has put on record that they are not supporting some of them and that it needs more time to examine a number of them. I thought the government’s response to the report could have been more comprehensive. Nonetheless I do put on record that there are a number of recommendations still to be considered, implemented or enshrined in law in some way. I strongly recommend that the government reconsider a number of those recommendations. I will not address those in detail today.

I want to talk about the first schedule in this legislation and some of the concerns that the Democrats have. I understand that those concerns are not necessarily shared by other parties in the chamber and that is why I am not going to bring this to a vote and am thus dealing with it in a non-controversial way. The amendments to schedule 1 not only remove the need for an explicit balancing of privacy and other interests by the Privacy Commissioner through the public interest determination, the PID, process under the Privacy Act but also, by allowing for the collection of sensitive health information without consent wherever authorised by or under the law, mean that the opportunity for consideration of the balance in specific circumstances is lost. The amendments provide for the Prescription Shopping Information Service, the PSIS. They actually go further. I believe that they actually reduce the protection of sensitive health information in the private sector. So some of those key strengthened provisions, the provisions that were introduced when the legislation was extended to the private sector, are actually being undermined. You no longer require consent in those cases. I think it will be much more difficult to identify legislative provisions which may later be used as the basis for the collection of any sensitive health information without consent. I am not sure if the government are going to comment on those issues today. I am quite happy to put on notice to the government whether or not they would consider a backup amendment, if you like.
I know that there was an approach put forward by the Australian Privacy Foundation. They have argued, and I quote:

It would be much more difficult if not impossible to identify in advance legislative provisions or other authorities which may later be relied on as the basis for the collection of sensitive health information without consent.

The fact that the consent test will only remain for health information that is used outside health care seems entirely unjustified considering the test was considered good enough for health care in 2000. I guess I would like to know from the government: what exactly has changed? How is this being justified by the government? I am happy to treat that as a question on notice, for obvious reasons. The preferable approach that was put forward by the Australian Privacy Foundation—and I understand that this is a document that the Attorney-General’s Department have in relation to this legislation—was, and I quote:

We believe that a preferable approach that correctly balances privacy and other interests is to leave national privacy principle 10.2 unchanged and instead to legislate a requirement for the relevant approved suppliers to collect information where appropriate from the PSIS. This would put the PSIS on a proper legislative footing and also give the opportunity for conditions and other safeguards such as regular reporting, auditing etcetera.

They go on:

We consider it important to bear in mind that prescription information can be highly sensitive and the PSIS can potentially be used not just by the 11,000-plus registered medical practitioner prescribers but also by an unqualified number of pharmacists in a wide range of healthcare and welfare professions and other organisations.

The privacy implications of that schedule are concerning for the Australian Democrats.

I have a couple of amendments that are, I am sure, unsurprising to those in the chamber. They deal with the exemptions that are currently provided for in the legislation—exceptions that the Democrats have railed against before and have attempted to amend in the past. Indeed, in at least one case, we have a private member’s bill that deals with that. The first one relates to the exemption for, essentially, political acts and practices or political parties. I think it is high time that we ensure that any privacy legislation that applies to most businesses and other organisations in Australia, private and public sector, should also apply to us. I know that there will always be arguments that some professions have special circumstances, but I have yet to be convinced that we, as members of parliament or members of a political party—or even candidates, if we are talking about more recent privacy legislation—somehow deserve an exemption. People should be able to expect that their information is subject to the same privacy principles that it would be if treated by a business, a service or any other organisation.

So I will seek to remove that exemption again. I do not expect that will be successful, but it is important to maintain opposition to the exemption when I get the opportunity with privacy legislation. It is an absolute hypocrisy that we are exempt from the privacy laws that we expect everyone else to adhere to. Indeed, there is a small business exemption. This debate has been had a number of times in the parliament. I know this concern is shared by a number of other individuals and certainly political parties, but an attempt to remove that exemption is before you today as well. The other amendments, as outlined, are consequential.

As indicated, despite my concerns and the concerns of others, including the Australian Privacy Foundation, I will not be opposing schedule 1—but I do put on record that the Democrats do not support that schedule. The amendments that enshrine the ALRC rec-
commendations in relation to genetic privacy in law are welcome and long overdue, but I feel a real sense of satisfaction today: it may have taken eight years, but this issue is a serious one. We now have to take the next step: to examine the issue of discrimination on the basis of genetic information.

It is one thing to protect it, ensure that it is made private and recognise that it is different from other health or sensitive information, but now we need to ensure that people are not discriminated against on the basis of their genetic information. We understand just how special that type of information is, the fact that it is different from health information in a general sense, the fact that it can be predictive and the fact that there are familial implications in terms of your genetic information, your data and how that can be used, and indeed used against, you. I urge the government to make that the next area for examination and, indeed, for action. I commend the amendments in my name, which I will be happy to move in the committee stage of this bill.

Senator HURLEY (South Australia) (2.11 pm)—I wanted to use this opportunity, when the issue of private health information comes up in the Privacy Legislation Amendment Bill 2006, to talk about an experience of mine which I think illustrates the importance of having provision for privacy. I was applying for personal income insurance in case of disability through my superannuation provider, AGEST—Australian Government Employees Superannuation Trust—and was required to get medical information to support that insurance. I went to my general practitioner, had quite a comprehensive blood test and an assurance from her that I was quite a healthy person, and I sent that off to AGEST. AGEST then came back to me and said that they wanted a full medical examination beyond the blood test.

When I got the details of that examination, I found that it asked for extremely detailed information. I have to say that the blood test included not only the usual iron levels, cholesterol and that kind of thing but I also had to have an AIDS test and a hepatitis test and be cleared on those things. That was all sent in. The further medical information I was asked to provide included information on whether I had ever been a prostitute and whether I had engaged in anal sex. It asked me the medical history of my family. It asked for complete doctors’ accounts of any illness that I had had in my entire life and of any illnesses in my family that might affect my health.

When I looked further at this medical information, I discovered that AGEST were outsourcing assessment of my insurance to the Commonwealth Bank. When I read the privacy information on that medical information, I discovered that the Commonwealth Bank were able to give that to their legal or financial counsel or anyone that they outsourced any of these activities to. So I discovered that, rather than dealing with my superannuation provider, AGEST, with whom I had a financial relationship, I was then dealing with an outsourced agency of the Commonwealth Bank. Suddenly that very detailed private information widens out to a huge level of people.

I thought I would rather not make three or four more visits to the doctor to get all this information and provide information that, given the detailed nature of the form, is probably incomplete and that my insurance would be refused in any case. So I wrote to AGEST stating that I wanted to withdraw my application for personal income insurance. I had not realised that my personal information could possibly be disseminated quite so widely through not only AGEST but also the entire Commonwealth Bank and anyone who was contracted by the Commonwealth Bank.
I believe I wrote that letter approximately five or six weeks ago. I had no response. I went through the usual call centre process, where I was unable to talk to anyone actually in AGEST about the situation. I had asked for my application to be withdrawn and for my medical records to be sent back to my doctor and for any copies to be destroyed.

When I finally got through to someone in the call centre at AGEST, I was told that all that information had already gone to the Commonwealth Bank and that they were waiting on a reply. I asked if I could speak to someone in the Commonwealth Bank to ensure that I got my information back and was given a call centre number for the Commonwealth Bank and told that I probably would not get through to the relevant agency in any case. So my detailed blood tests are being circulated around the Commonwealth Bank and it appears that I have no ability to get in touch with anyone who can give me any information about where they are, whether they will be returned or whether any copies have been made.

I am only grateful that I did not fill in the even more detailed medical information that they were requiring. I would urge people to look more carefully at where their medical information is heading in these days of outsourcing, when we need to sign away such a wide-ranging waiver of our privacy requirements, I think we all need to be a bit more careful about what we do. We have seen instances just recently where people in the Taxation Office and also in Centrelink have been found to be accessing records that they should not be accessing. We all know that, in these days of computer databases, people can get access to records that they should not have access to as part of their job. When that privacy waiver is so broad, when any legal or financial people in the Commonwealth Bank can access my records officially—much less those who might be able to unofficially—and when in fact the waiver states that any of my own personal financial advisers contacted by the Commonwealth can access those records, when I may not necessarily want my accountant to know the status of my AIDS test, then I think we all need to be much more careful in this era of outsourcing.

I certainly commend the privacy legislation that is proposed and urge people to be very careful about their own privacy considerations. I wish to assure the house that my AIDS and hepatitis tests came up negative, so I had nothing in particular to worry about. It is the principle of the issue which concerns me.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (2.18 pm)—In response to Senator Stott Despoja’s proposed Democrat amendment, I have a couple of things I wish to say. Firstly, the proposed amendment on the national privacy principle would allow the collection of health information where it is necessary to provide a health service to an individual and where it is required or authorised by law. The Prescription Shopping Information Service is the only service currently authorised by law. It is possible that a health law in the future may authorise an additional collection of information. However, any new provisions authorising the collection of information will be subject to parliamentary scrutiny, either directly through parliamentary debate on a legislative amendment or through the disallowance process for legislative instruments. In either case, there would be specific opportunity for parliament to consider the privacy implications of any new provision authorising the collection of information. I advise Senator Stott Despoja that the government will provide her with additional information in writing as she requests or as is requested.

Question agreed to.
Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator STOTT DESPOJA (South Australia) (2.20 pm)—I move Australian Democrats amendment (1) on sheet 5036:

(1) Page 5 (after line 28), at the end of the bill, add:

Schedule 3—Amendments relating to exemptions within the Privacy Act
Privacy Act 1988

6 Subsection 6C(1) (after paragraph (e) of the definition of organisation)
Insert:
; or (f) a political party; or
(g) a small business; or
(h) a small business operator;

7 Subsection 6C(1) (definition of organisation)
Omit “a small business operator, a registered political party.”.

8 Section 6E
Repeal the section.

9 Section 6EA
Repeal the section.

10 Paragraph 7B(2)(b)
Repeal the paragraph.

11 Subsection 7B(2)
Repeal the note.

12 Section 7C
Repeal the section.

For those members of the public who are interested in our views on this, we have copious policy work in this area. I have talked about it and written about it on many occasions. This amendment actually deals with the exemptions to which I referred earlier, specifically, the small business exemption and the exemption dealing with political acts and practices and political parties. I seek to remove those exemptions. I understand the will of the chamber on this one, but obviously I want to take the opportunity to raise these issues yet again.

I want to acknowledge the contribution by Senator Hurley. I think all people in this place have an interest in and a concern about privacy, not just as to our own personal information—and that particularly to do with health is the most sensitive of information—but also as to that of the community. When we talk about privacy rights we accept that there is a balance and there is no definitive privacy right as such. Certainly in this country we recognise that it is all about balancing community needs and interests—and, indeed, arguably the national interests—with personal security, privacy and safety. We do not always get the balance right. I still think that the privacy scheme in Australia is arguably ‘too light touch’. I know it was an original boast by the government that it was not going to be unnecessarily regulated or prescriptive, but I still think that there are a lot of holes in the Privacy Act.

As you know, a few years ago I initiated an inquiry through the Senate Legal and Constitutional Committee to examine the Privacy Act and its effectiveness, in particular to examine some of the loopholes in the act. That committee recognised that there were problems. They are understandable problems. There are loopholes that are usually caused by the rapid pace of technology and the impact of technological change. For instance, developments in the health field—specifically, in genetic technology and biotechnology—have a huge impact on the ability of our laws to keep up in terms of protecting people’s personal data and information. So I really do implore the government to acknowledge not only the recommendations of the ALRC which dealt specifically with the issue of genetic privacy but also the broader recommendations that arose through the Senate Legal and Constitutional Committee process. In many cases they were biparti-
san or cross-party recommendations that acknowledged that there were loopholes in this law. I do not think it is good enough for the government to come back, eight years after the first time we discussed these things in the parliament, to just make changes, as much as I welcome some of the changes in this legislation today. We have to try to be a little more innovative in this field even though I acknowledge that often this kind of legislative process is necessarily a reactive one, especially when it comes to dealing with science.

I implore the government to examine those recommendations and respond to them in a legislative and policy form. Once again I put on record that the first time that we brought the issue of genetic privacy to the attention of this chamber was in 1998. I know that a lot of discussions and reviews have gone on, but essentially the amendments that we are dealing with today are pretty much the same as those of mine that got knocked back in 2000—better late than never but we have to be much more vigilant in acknowledging that there is a legal and a regulatory response to biotechnology and genetic technology and that up until now we have lagged behind in this country. So I welcome the amendments in the bill and I certainly commend my amendment to the chamber, although I can read the will of the chamber.

Question negatived.

Bill agreed to.

Bill read a third time.

Sitting suspended from 2.26 pm to 2.30 pm

QUESTIONS WITHOUT NOTICE

Skilled Migration

Senator CHRIS EVANS (2.30 pm)—My question is directed to the Minister for Immigration and Multicultural Affairs, Senator Vanstone. Can the minister confirm that on 23 May 2006 she received a letter from the AMWU detailing serious concerns about the exploitation of workers on 457 visas by Hunan Industrial Equipment Installation Company at the ABC Tissues site? What action did the minister take when she received this letter and why was it not until a month later that the department visited the site? Why did it take a further month for any notice of intention to sanction Hunan to be issued and why was the company then given another six weeks, until 4 September, to respond? Can the minister explain why, four months after serious concerns were raised directly with her, we are still waiting to find out whether or not any action will be taken against the company? Does the minister still have full confidence in the 457 visa approval system and her department’s monitoring of the treatment of visa holders?

Senator VANSTONE—I thank the senator for the question. The senator asked me whether I received a letter on 23 May. I have a pretty good memory but I do not have a file in my head of all correspondence received. I am quite sure that I would have received correspondence during the year on this issue. What would happen with that correspondence is what happens in, I think, all ministers’ offices: the correspondence goes down to the department for appropriate action or reply. Clearly, if this correspondence did arrive, it has gone off for appropriate action.

The senator asked me about the time period between a letter arriving and a visit be-
ing undertaken. I will make some inquiries about what happened in that time period, but one should not assume that a time period between notification of an allegation and a visit means that nothing happened in the meantime. Of course, when one wants to make a visit to a site in order to check out some allegations, arrangements and preliminary inquiries have to be made. As a consequence of that, the site can be visited—and that is what has happened.

I indicated in this place yesterday that a notice of intention has been given. It is normal practice, when notice of intention to cancel is given, that the person at the other end is given the opportunity, which comes under the natural justice rules, to reply to the allegations and the preliminary findings of the officers concerned. That is just normal practice.

Senator CHRISS EVANS—Mr President, I ask a supplementary question. I am quite shocked that the minister does not have a brief. I can advise her that those details were provided to the House by Mr Ruddock a couple of days ago, so I am absolutely amazed that she does not understand the issue. Does the minister really believe, as she claimed yesterday, that the revelations of shocking abuse of 457 visa holders are a sign that the system is working? Aren’t these cases actually confirmation that the scheme is being fundamentally exploited by some and that the department’s oversight is manifestly inadequate? Given that new reports about exploitation keep emerging, can the minister provide an assurance that she has complete confidence in her department’s administration of the 457 visa scheme?

Senator VANSTONE—The good senator uses the term ‘revelation’. Of course, the case raised in this place yesterday was not a revelation to the department; the department knew about it before it was in the media. It might have been a revelation to the media, but it was certainly not a revelation to the department. It was not exposed to the department by the media; it was, in fact, already being actioned by the department. Have I said that cases of misuse of the visa are a sign that it is working? No. What I have said is that cases where people complain, and the complaint is actioned, confirm that, if there is an allegation, it will be properly investigated, it will be looked into and people will be dealt with. In other words, the system is working. I have made the point that there is a law against speeding but some people still speed. It is impossible to design a system that people will not at some point try to misuse.

Employment

Senator FIFIELD (2.35 pm)—My question is to the Minister for Finance and Administration representing the Treasurer. Will the minister update the Senate on the outcomes of today’s employment data from the Australian Bureau of Statistics? What do these statistics say about the strength of the Australian labour market and the impacts of the government’s Work Choices legislation? Is the minister aware of any alternative approaches?

Senator MINCHIN—I thank Senator Fifield for that question. I am indeed pleased to have the opportunity to confirm that today’s employment statistics show that in the month of August some 23,400 jobs were created in the Australian economy. While that figure does include the impact of the census related employment of 7,000 people, it is nevertheless a very good outcome for Australia. The unemployment rate remains again below five per cent at 4.9 per cent. It did rise by 0.1 per cent, but that is because we now have a record participation rate in Australia of 65.1 per cent. Since the commencement of the Work Choices legislation in April, we
have seen 168,000 new jobs created if you net out those attributable to the census in August. This completely puts the lie to La-
or’s claims that Work Choices would lead to a spate of mass sackings with the removal of unfair dismissal laws. It simply has not happened. Not only have employers put on substantially more staff but Australians are coming into the workforce in unprecedented numbers because of their confidence in the economy and our strong job market.

Today’s results and those of the past four months do vindicate the policies enacted by this government. Our clear policy is to create jobs through a flexible labour market, workplace agreements and the removal of unfair dismissal laws for small and medium businesses. Our policy is to encourage workforce participation through welfare reforms and income tax cuts, including this week’s confirmation of the removal of tax on super for those retiring after the age of 60. We are now seeing, as I said, the highest ever participation rate in the Australian workforce. Our policy is to see rising real wages through productivity, which was backed up by the recent wage data from the national accounts yesterday.

I was asked: ‘Where does the Labor Party stand on these things?’ They have announced they are going to tear up the Work Choices legislation. They are going to bring back a highly regulated labour market. They want to bring back unfair dismissal laws for small businesses, which, we know, discourage those businesses from hiring new staff. They want to scrap our efforts to better target welfare, which they vehemently opposed from day one, just as they always opposed our Work for the Dole scheme. They still have not announced what their position is on our new superannuation arrangements.

What is clear out of all this is that if you do want low unemployment you have to have a flexible labour market. Under our predecessors the labour market was highly centralised, regulated and union dominated. And what did we have? An unemployment rate peaking at 11 per cent—more than double the current unemployment rate.

Interestingly, if you go to France or Germany or Italy today, you will see a tight labour market just like we used to have; you will also see unemployment rates like we used to have—closer to 10 per cent in those countries. But, thanks to us, we are part of the low unemployment hub that includes the United States, New Zealand and Great Britain. The latter two countries, of course, have Labour governments which do understand the need for free and flexible labour markets. So I think today’s job figures really should be a reality check for the Australian Labor Party. We look forward to them developing some 21st century policies which are actually aimed at creating real jobs and not just at looking after their own jobs.

Environment: Endangered Species

Senator CARR (2.39 pm)—My question is to Senator Ian Campbell, Minister for the Environment and Heritage. Can the minister confirm that when he announced the $3.2 million in new funding to save the orange-bellied parrot, it was listed on his department’s website as one of the 145 endangered or critically endangered animals? Is this why the minister yesterday upgraded the status of the orange-bellied parrot to ‘critically endan-
gererated’? Even after this change, aren’t there still 16 other animals assessed under the law as also being critically endangered? Will the minister now spend $3.2 million on protect-
ing each of the other 16 critically endangered species, including the yellow chat, Gilbert’s potoroo, and the hairy marron? Why does the minister’s special interest in critically endan-
gererated species stop at the orange-bellied parrot?
Government senators interjecting—

The PRESIDENT—Order! Senators on my right will come to order.

Senator IAN CAMPBELL—It is appropriate to get a question about threatened species at this time. The Threatened Species Scientific Committee advised me two days ago that the orange-bellied parrot should, in fact, be upgraded to critically endangered. Most Australians know that the orange-bellied parrot has 50 breeding pairs left in the world. If you read the Victorian department of the environment’s website you will see that that department of the Victorian government and Senator Carr’s comrades in Victoria regard it as being at least as endangered as the Siberian tiger or the panda bear.

This particular upgrading was done on the advice of the Threatened Species Scientific Committee. The members of that committee recommended the upgrading to ‘critically endangered’, which most people who understand and care about Australian threatened species would welcome and endorse, as most of the major conservation groups in Australia have done. That committee is chaired by Associate Professor Bob Beeton from the University of Queensland, and comprises Mr Guy Fitzhardinge from New South Wales; Professor Gordon Grigg from Queensland; Dr Graham Harris from Tasmania; Associate Professor Peter Harrison, who is Director of Marine Studies at the Southern Cross University; Professor Bob Kearney, Emeritus Professor of Fisheries at the University of Canberra; Dr Libby Mattiske from Western Australia, who is an expert in endangered species; Dr Rosemary Purdie from the ACT; Dr Andrea Taylor from Victoria; and Dr John Woinarski from the Northern Territory. They made the recommendation to upgrade this species to ‘critically endangered’.

Under the Commonwealth’s world-leading and world-recognised environment law, the Commonwealth lists species, depending on their endangerment. We make reference to those in relation to decisions we make on environmental approvals that cut across federal government issues and national environmentally significant issues. So the threatened species list is very important.

This government has done more than any government in the history of Australia to rebuild habitat and to put in place recovery plans for a whole range of species and for the top 17 species that are listed on the critically endangered list, which were of course joined overnight by not only the orange-bellied parrot but also a unique and critically endangered species of bat found on Christmas Island. We have put money into the biggest environmental rescue package in Australian history, and that is the Natural Heritage Trust. One of the very important programs that restores habitat is the National Reserve System, which was put in place to build a comprehensive and adequate reserve system across Australia for biodiversity, particularly to build habitat. The sum of $80 million has been invested in that program over the past 10 years. Investment was virtually nonexistent under the previous Labor government. The program has built up a conservation reserve of over 240 properties—21 million hectares of land across Australia, nearly 10 per cent of the Australian landmass, reserved for the conservation of Australian wildlife and, particularly, to build habitat for critically endangered species. So we are spending tens of millions of dollars a year to look after Australia’s native wildlife and this particular species, for which I announced $3.2 million—(Time expired)

Senator CARR—Mr President, I ask a supplementary question. I ask the minister: what action has he taken, on top of the $3.2 million he is providing for the orange-bellied parrot, for the 16 other animals assessed under the law as being critically endangered?
Why is it, Minister, that since you took an active interest in the orange-bellied parrot its survival chances have dramatically declined to the point where it has now become critically endangered? Is this because the minister is still looking for an environmental cover for his blatant political decisions to veto the Bald Hills wind farm? When will the minister start taking a balanced approach rather than a marginal seats approach to guiding his decisions on threatened species?

Senator IAN CAMPBELL—I will try and speak more slowly and use shorter words to help Senator Carr get through this. The decision to upgrade this species, which has 50 breeding pairs left in the world, to critically endangered status was taken on the explicit advice of the Threatened Species Scientific Committee. Senator Carr’s attack on me is nothing other than an attack on these eminent Australians who serve the Commonwealth of Australia with distinction and advise us about unique Australian wildlife. I table the list of members of the Threatened Species Scientific Committee.

Skilled Migration

Senator FIERRAVANTI-WELLS (2.46 pm)—My question is to the Minister for Immigration and Multicultural Affairs, Senator Amanda Vanstone. Will the minister outline to the Senate the value of skilled migration to various sectors of the Australian economy?

Senator VANSTONE—I thank Senator Fierravanti-Wells for the question. Australians have been enjoying an economic boom, and that is great news, but every bit of silver lining has a little bit of a cloud, and what that means is that we now have some skills shortages. Of course, if Labor were in charge, we probably would never have had the boom—and they would have run it into the ground. We all remember the five minutes of economic sunshine that Australia was able to enjoy, brief as it was. I think that was before the recession we had to have.

What we see now with this particular visa, the business long-stay 457 visa, is business wanting to grow, expand and take the opportunity of these good economic times to make themselves stronger. They need to bring people in, get them on the job and get going. But what do we see from the opposition? What we see is the Deputy Leader of the Opposition, Jenny Macklin, saying, ‘This visa is designed to drive down wages.’ That is what they are worried about.

I was so surprised, when I looked at a United States website called the Union Jobs Clearinghouse, to see an ad for the National Union of Workers in Australia looking for a US corporate campaigner for Australia. I thought: ‘This is a bit surprising. I thought all the union expertise was sitting opposite here!’ In any event, the ad was placed on 30 January this year, and what it said was: ‘We are currently seeking to recruit an experienced corporate campaigner from the United States to come out to Australia to support low-wage Australian workers, train Australian organisers in the skills necessary—and I hope business is listening—to take on large corporations and win.’ That is going to go down really well in the electorate, ‘take on large corporations and win’—after all, they provide jobs and you want to beat them into the ground! It went on to say: ‘Significant experience in research and corporate campaigning in unions in the United States, including leadership roles, and possesses the capacity to educate and train other organisations. Excellent salary and benefits’—apparently—‘will be paid.’ The ad said that the union would take care of all the necessary visa, flight and accommodation details. I thought: ‘What visa could that person come in on? Heavens above, what visa could they use if they didn’t want to wait long?’ Well, that would be the 457 visa.
So that begged the question: why can’t they find a suitable candidate here? Heavens above, these people have spent millions of dollars of union money on a campaign against Work Choices, so they have apparently got some campaigning experience, but still they recognise that some overseas skills might come in handy, so they whack a job on the internet to bring someone in from the United States. Perhaps it is because all the talent is here. I look across and think, ‘No, that can’t be right.’ I went further on the website and there was a testimonial from the National Union of Workers. The testimonial says: ‘We have received many quality applications and are in the process of interviewing.’ Thank you very much, United States. Come on down, come down here and take union-organising jobs. It begs the question: what quality is there in the Australian union movement?

Unions are not content with only under-mining the government’s legislative changes; they are now looking at saying to their own people, ‘You haven’t got the skills we need.’ I thought, ‘I wonder if this job was advertised in Australia,’ so I sent someone up to the library. There is a long story here, Senator Fierravanti-Wells—one that might roll on a bit. We went through the Australian and we had a look to see what was advertised, and we could not find it. I thought, ‘Well, that’s why Senator Bolkus got rid of labour market testing, because, if the ad is in the wrong paper or the paper you do not look at, it does not mean much.’ The union recognise that. That is why they whacked it straight on the web. But there are more examples. (Time expired)

Senator FIERRAVANTI-WELLS—Mr President, I ask a supplementary question. Can the minister expand on the skills that she says were lacked by the union and the specific skills that they were looking for overseas? Does she have any further information regarding the quest of the advertisement in looking for these skills in Australia?

Senator VANSTONE—I noticed that there was an ad for the National Tertiary Education Union and the Canberra office of the Australian Services Union, indicating that even the unions are benefiting from the boom in Australia. The NUW, as I said, may have advertised elsewhere, but you would have trouble finding it. That is not the first time this has been used. The NUW’s comrades in the Finance Sector Union have an industrial relations officer from the United Kingdom who came here on a 457 visa. The Liquor, Hospitality and Miscellaneous Union have got a 457 industrial relations officer from the United States. Come on down, teamsters, and show us how to do it! You do need a bit of help, I agree. That confirms the value of the visa. The National Tertiary Education Industry Union has got an industrial relations officer on a 457 visa. Some of these have moved to permanency, showing that this visa allows you to bring in the skills you need. Shift them to permanent if you want. (Time expired) The union—

The PRESIDENT—Order, Minister! The time for answering the question has expired.

Honourable senators interjecting—

The PRESIDENT—Order! When I call that the time has expired, I expect ministers to obey the instruction.

Hasluck Electorate: Brickworks

Senator STERLE (2.52 pm)—My question is to Senator Ian Campbell, the Minister for the Environment and Heritage. Can the minister confirm that he actively campaigned against a community-run wind farm in an abandoned limestone quarry because some people in the area objected to it? Did the minister’s department advise him that there were no environmental grounds on which to oppose this project? Can the minister also confirm that he approved the construction of
a brickworks close to houses and schools, despite widespread opposition from the local community? Didn’t the minister’s department, in evaluating the project at Perth airport, identify a number of concerns, including the potential for adverse health impacts? Why does the minister require everyone to agree to a non-polluting wind farm before it can go ahead but approve a polluting brickworks when the community is vehemently opposed to it?

Senator IAN CAMPBELL—Firstly, I did not approve the brickworks. It was approved by the Minister for Transport and Regional Services, who has responsibility for the Airports Act—a minor technical detail!

Senator Chris Evans—Did it go to your department?

Senator IAN CAMPBELL—Who asks the questions around here, Mr President? Old windbag over the table there?

The PRESIDENT—Order, Senator Campbell!

Senator IAN CAMPBELL—If someone asks a stupid question, I think it does not hurt to point it out. For the Leader of the Opposition in the Senate to compound, once again, Labor’s flailing, hopelessly incompetent performance in the Australian Senate by further underlining the stupidity of the question—

The PRESIDENT—Minister, I remind you of the question.

Senator IAN CAMPBELL—Thank you, Mr President. The question relates to the brickworks at Perth airport and the questioner clearly does not know the process or does not take an interest in the process. The process includes a reference of the brickworks proposal to me by the Minister for Transport and Regional Services, and that is the normal process that applies to all airports around Australia. Under the Airports Act the reference was made to me. What we found when my department made an assessment of the brickworks—

Senator Chris Evans—I thought it was nothing to do with you.

Senator IAN CAMPBELL—Mr President, the Leader of the Opposition in the Senate really needs to either clean his ears out or grow a brain in between his ears.

The PRESIDENT—Order! I ask the Leader of the Opposition in the Senate to stop interjecting and, Senator Campbell, I ask you to return to the question.

Senator IAN CAMPBELL—I am trying very hard to focus on the question, but the Leader of the Opposition in the Senate, who has a problem keeping his mouth closed and not interjecting, is a constant interference.

The PRESIDENT—Senator, I ask you to return to the question now.

Senator IAN CAMPBELL—The question relates to the Perth brickworks. The assessment conducted by my department showed something that was incredibly, deeply embarrassing to the WA Labor Party and Senator Sterle’s comrades in Western Australia. It showed that the Western Australian Labor government had approved two kilns for existing brickworks in the Swan Valley area that were pouring noxious gases into the airshed above the people who live in Guildford, Hazelmere and the Swan Valley. Of course, I have released that environmental assessment—unlike the WA Labor government, who have hidden all of their assessments and in fact did not even do an assessment of the two kilns.

So yes, in fact, there are very serious issues about brickworks’ emissions into the Swan Valley airshed. Our department found that the proposed brickworks on the Perth airport site would be a world-leading example of a brickworks and would have massively lower emissions than the brickworks
within the Midland area. We also found that the WA government did not even submit the expansion proposals for the brickworks, which are less than a kilometre away from the Perth airport site, to any environmental assessment at all, nor did they allow any public consultation. Our process was one that included the longest public consultation period of any environmental assessment process in Australia. It is an incredible embarrassment to the WA government and it should be an embarrassment to Senator Sterle. The environmental approvals processes and monitoring of toxins in the airshed over the brickworks in the Midland area are a national and international disgrace over which the Labor Party should be absolutely hanging their heads in shame.

Senator STERLE—I ask a supplementary question, Mr President. Does the minister agree with the member for Hasluck that the decision to approve the project was a ‘serious error’, that the government has failed the people he represents and that the local community will ‘bear the burden of this mistake for generations’? Why did the minister totally ignore the concerns of thousands of residents in approving the brickworks? Can the minister also advise whether, if there had been a proposal to put a wind farm at Perth airport, he would have been more willing to listen to the community’s concerns?

Senator IAN CAMPBELL—I think anyone who tries to draw a parallel between a brickworks and a wind farm should perhaps have a good look at themselves. In Stuart Henry I think the people of Hasluck have the most vigorous and capable representative that they have ever had. He has fought tenaciously for his community. I have responded to every letter from Stuart Henry and his constituents about the proposal. Who have let down their constituents? The WA Labor Party, for keeping secret the fact that they approved the expansion of two brickworks less than a mile from the airport which are pumping toxins into the atmosphere at an unprecedented rate—and with no public consultation. The best thing that can happen for the people who live in Stuart Henry’s electorate would be that the WA environment minister ensures that other brickworks meet the very strict standards that are applied by the Commonwealth to the brickworks being built on the Perth airport site.

Health Policy

Senator BRANDIS (2.59 pm)—My question is directed to Senator Santoro, the Minister representing the Minister for Health and Ageing. Will the minister outline to the Senate measures the Howard government is putting in place to deal with wide-ranging demographic change in our communities? Further, would the minister acquaint the Senate with how state governments are addressing this issue, particularly in my home state of Queensland?

Senator SANTORO—I thank Senator Brandis for his question and I recognise the important points that he made regarding the Queensland health system during his excellent speech yesterday. For those who did not hear him, I urge them to read the Hansard, because he demonstrated in there the perverted priorities of the Beattie Labor government when it comes to looking after the health needs of Queenslanders and, in particular, elderly Queenslanders.

The Howard government is taking a coordinated approach to the key issues of demographic change, and I want to summarise that particular approach. Treasurer Costello’s first Intergenerational report recognised the need for developing policies across government to address the needs of an ageing population. For the care of our elderly we increased the availability of community care—and that is a very important point to note—to give people greater choice. We also made some very sig-
significant changes to the aged care legislation in 1977 to lay the foundation for a high-quality aged care system in our country.

It is well known that Queensland is undergoing significant demographic shifts. In fact the Beattie government’s own public hospitals inquiry reported:

Queensland has the highest level of population growth in Australia.

And that it had:

... the largest ... increase ... in age-weighted population between 1999 and 2004.

As a consequence of these massive demographic changes, the health needs of older Queenslanders have increased markedly. From a federal perspective, in the year 2004-05, the Howard government provided $982.4 million for aged care places in Queensland, an increase of 157 per cent over the 1995-96 Queensland funding when Labor was in power.

While the Howard government has taken this issue and its implications seriously, I am saddened to report to the Senate yet again that the Beattie Labor government has not. A closer examination of the disgraceful Queensland health surgery waiting list—and figures that I mentioned to the Senate earlier this week—reveals that the Beattie government has again failed those older Queenslanders in an extraordinary way. While the waiting list figures do not include age information, they do reveal that on 1 July 8,403 people were waiting for orthopaedic surgery such as hip and knee replacements, and 3,286 were on ophthalmology lists waiting for cataract operations and similar procedures. The overwhelming majority of these 11,689 people will be older Queenslanders who have paid taxes all their lives and are entitled to medical assistance when they suffer illness, injury or pain.

What is disgraceful in this place is that every time I get up to talk about the neglect of the Beattie Labor government when it comes to the health needs of Queenslanders, and today specifically older Queenslanders, not one Labor senator opposite stands up for the health rights and needs of Queenslanders. It is up to Senator Brandis, Senator Ian Macdonald, Senator Trood, Senator Mason and me to stand up for the rights of Queenslanders.

Opposition senators interjecting—

Senator SANTORO—All that they do is what they are doing now. They interject and they demonstrate their total lack of care for the genuine health needs of particularly the elderly. They never get up—

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left, there is too much noise in the chamber and I ask you to come to order.

Senator Chris Evans—I rise on a point of order, Mr President. I want to point out to you that the minister continually pointed at opposition senators and addressed them directly. If you then consider a reaction to that unacceptable, I would ask that you deal with the cause when the minister performs as he did.

Honourable senators interjecting—

The PRESIDENT—Order! Pointing across the chamber is disorderly and I would remind all senators to address their remarks through the chair.

Senator SANTORO—They should be worried about words, not that I am pointing at them. In conclusion, I recognise one other great Queensland senator who takes his responsibilities towards Queenslanders seriously—not you, Senator McLucas—Senator Boswell, a great representative, and Barnaby Joyce. (Time expired)

Honourable senators interjecting—
Small Business

Senator FIELDING (3.04 pm)—My question is to Senator Minchin, the Minister representing the Treasurer. Given the government’s professed concern for small business and the agreement of all sides of parliament that small business needs to be able to collectively bargain more effectively with big business, why won’t the government pass legislation which would enable small business to negotiate on a more level playing field with big business?

Senator MINCHIN—I think that Senator Fielding should be well aware that the government does indeed have a policy in that regard. The amendments arising out of the Dawson review in relation to collective bargaining are part of the Trade Practices Legislation Amendment Bill that we have prepared, and we are looking for the opportunity to proceed with that bill. I think that it is well known that this is a comprehensive package of amendments and that it does involve not only amendments relating to collective bargaining but also other amendments that take account of some of the difficulties which business has had with the operation of the Trade Practices Act more generally. We are anxious to proceed with that bill but we can only do so when we have some confidence of its passage through this chamber. As Senator Fielding should know, these are formally parts of the legislation which we would like to see pass this Senate, and the Treasurer is looking for the opportunity, and the point at which he can have the confidence that the bill will pass the parliament, to proceed with it.

Senator MINCHIN—I think that is quite unfair of Senator Fielding. This government has a significant and quite commendable small business bias. We have done an enormous amount in our 10 years to support small business, not the least of which was the removal of the unfair dismissal laws that so impacted on small business, as Senator Fielding well knows. He knows perfectly well that the package of trade practices amendments which we have before the parliament is a comprehensive package that assists medium to large businesses to operate, create jobs in this country and, indeed, create business for small business. Most small businesses in this country are significantly dependent upon the prosperity and vitality of medium to large businesses. We want them to survive and prosper in order that small business can prosper. So we do look forward to the opportunity to proceed with this comprehensive package of legislation.

Moreton Bay Fisheries

Senator BOSWELL (3.07 pm)—My question is to the Minister for Fisheries, Forestry and Conservation, Senator Abetz. Is the minister aware of any threats to the access which Queensland recreational and commercial fishers currently enjoy to Moreton Bay in Brisbane? Is the minister aware of any alternative policies?

Senator ABETZ—It is always a delight to take a question from the Leader of the National Party in the Senate. I acknowledge that he is a great campaigner for the interests of the fishing communities in Queensland, along with all other Queensland coalition senators. I am aware, unfortunately, of threats to the right of Queensland recreational and commercial fishers to fish in Moreton Bay. That threat, as Senator Boswell knows, is Mr Beattie and the Queen-
sland Labor Party. Make no mistake: if Mr Beattie is re-elected, Queensland fishers will lose significant access to this great bay.

Several weeks ago the member for Bowman, Mr Andrew Laming, invited both Senator Boswell and me to a very well attended meeting that we both addressed. I think there were over 400 people at that meeting. It was interesting—all parties were invited, but guess which party squibbed on the invitation! The Labor Party know that it was them. What I told that meeting and what I say to the Senate today is this: Moreton Bay should not be closed to fishing simply to gain Greens preferences. That, unfortunately, is what will happen unless Mr Beattie is defeated on Saturday.

Mr Beattie, of course, claims that he will not close Moreton Bay to fishers. But listen to these weasel words that he uttered early last week. He said there would be no mass bans and:

There is no plan … to shut out recreational fishers from 50 per cent of Moreton Bay.

He does not say that it might be 52 per cent or 60 per cent of Moreton Bay—just that it is not 50 per cent. It might be 49 per cent or, indeed, 99 per cent of Moreton Bay. More telling is the letter that the Deputy Premier, Ms Bligh, sent to the Moreton Bay Access Alliance on the same day that Premier Beattie made that statement. That was on 2 September. The letter confirms that a review of access to the bay is under way. It is a letter which pointedly—and Senator Boswell will be very interested in this—fails to rule out any closure of access to the bay for fishers. The truth is that a deal has already been done, because the Greens spokesperson on this has already slammed the coalition policy of allowing Moreton Bay to remain open for sensible and sustainable fishing. Just recently she said that the coalition plan is in contradiction to state Labor’s plan for no-go zones.

So the Greens have already let the cat out of the bag as to the deal that they have done with Labor. Of course, the Labor Party simply are not truthful enough to tell the electors of Queensland what they have in mind.

What I have said continually about fishing is this: if there is to be a closure, it should be based on good, sound scientific evidence and not on the cheap pursuit of Greens preferences. I say to the people of Queensland, especially those in the Moreton Bay area, that there is only one way to secure their fishing rights in a sustainable fishery and that is to vote for the coalition candidates on Saturday.

**Afghanistan Opium Trade**

**Senator ROBERT RAY** (3.11 pm)—My question is to Senator Ellison, the Minister for Justice and Customs. Has the minister been informed of a recent United Nations report that only six of 34 Afghan provinces are now opium free? Can the minister confirm that the amount of Afghan land under poppy cultivation has increased by 162 per cent since the start of 2005 and that Afghanistan now supplies 92 per cent of the world’s supply of opium, the raw material for heroin? Can the minister explain why the Howard government has stood idly by while the Afghan government has struggled to prevent this massive growth? Why are young Australian service men and women risking their lives in Afghanistan to protect a government that ignores poppy cultivation, which in turn has the effect of allowing heroin to be sent to Australia with the resultant loss of young Australian lives?

**Senator ELLISON**—Let us get the facts straight on the supply of heroin into Australia. They are as follows. The Australian Crime Commission, in its national illicit drug report, has shown time and time again that the vast majority of heroin that is trafficked into Australia comes from the Golden Triang-
gle—Burma, Laos and Thailand, that particular region. It is an historical fact that 99 per cent or thereabouts of the heroin trafficked into Australia comes from that region.

We do not for one minute discount Afghanistan as a source of supply, but I can tell you that, from talking to representatives from the United Nations narcotics commission in Vienna and to law enforcement authorities in Australia, we believe that the main source of supply of heroin is still that Golden Triangle region. Afghanistan, of course, remains a threat as a possible source of heroin to Australia. We have never discounted that. But, primarily, Afghanistan supplies the markets of Europe, the United Kingdom and United States.

It is something that we are monitoring very closely, I might say, because of the indications of increased supply. That is something that is of concern to me and to law enforcement in Australia. But I totally reject that the men and women of the Australian Defence Force are protecting opium growers and that they are protecting the drug suppliers out of Afghanistan. For operational reasons, I am not going to detail what the Australian Federal Police is doing in relation to that region. We do have representatives in that region, and it is something that we are monitoring very closely.

We all know that there has been a huge reduction in the supply of heroin into Australia. In fact, that is why we have had the consequential reduction in deaths related to heroin overdoses. I think you used to see it on the front page of the Herald Sun: the road toll and the toll from heroin deaths. You do not see that anymore because of the rate of reduction in the supply of heroin and the reduction in purity. It used to be in excess of 50 per cent, if I remember correctly, and it is down to between 10 and 20 per cent. It has made a huge difference. This reduction in supply has come about as a result of the very good work of Australian law enforcement and it is something which we take very seriously. But we do not for one minute remain complacent, and I am not being dismissive of the point that Senator Ray raises in that other part of his question when he talks about an increase in supply from Afghanistan. We are not dismissive, saying that that is something which does not pose a risk to Australia; we have continually regarded Afghanistan as a potential risk but, having said that, historically and in the current environment, the vast majority of heroin that makes its way into Australia comes from the Golden Triangle.

Senator Ray has put this question on the basis that there is an increase in the supply of heroin and that it will have a consequential effect on the supply of heroin in Australia. I am saying that we have seen no evidence that Afghanistan heroin has made a marked increase in presence in Australia. There have been one or two aspects. We have seen signs of its presence and we are investigating those. For operational reasons, I am not going to go into the work that the Australian Federal Police is doing with overseas agencies in this regard, but it is something that we are monitoring very closely. That question had some very important aspects to it. Unfortunately, there is one which I dismissed out of hand totally—that is, that our Australian defence forces are protecting drug traffickers.

Senator ROBERT RAY—Mr President, I ask a supplementary question. I would ask the minister to specify where in my question I alleged Australian servicemen were protecting opium poppy production. It is a total falsehood, and the minister knows it. Secondly, given the minister’s concern for opium production in Afghanistan, I would like to know what practical prevention steps Australia is taking and what aid it is giving
the government of Afghanistan to prevent this explosion of poppy growing.

Senator Ellison—I take Senator Ray’s supplementary to be a withdrawal of the imputation that we are supporting a government that is behind the production of heroin and the trafficking of it. So, on that basis, I accept it. But I will say this: we have people in the region. We are working with law enforcement in the region and working closely with a range of countries—Pakistan, the United States and the United Kingdom, to name a few—and we will continue to do so. Mr President, the fact remains that in Senator Ray’s question he talked about Australian defence forces propping up a government which was behind the supply of heroin and the production of opium. On the basis that I understand the supplementary to be a withdrawal of that imputation, I accept it.

Senator Robert Ray—You are just a dog for saying that, Chris, and you know it.

Senator Minchin—Mr President, on a point of order: I think it is unparliamentary to call someone a dog in this place.

The President—I did not hear it but, if it was unparliamentary, I would ask you to withdraw.

Senator Robert Ray—I do, and I would not mind Senator Ellison similarly withdrawing the imputation he made against me. That is the first time in this chamber in 25 years I have ever asked for a withdrawal.

Senator Ellison—I stand by the fact that the question, as Senator Ray put it, implied that the Australian defence forces were propping up a government which was behind the trafficking and production of illicit drugs. I think the Senate understood that in the same way I did. If that is an accepted fact, there is an imputation which flows from it. I am sorry, but that is an interpretation which is openly available in the construction of common English language. If he cannot see that then I feel sorry for him. I do not change my position one jot.

The President—I will review the Hansard and report back on that particular issue.

Climate Change

Senator Milne (3.19 pm)—My question is directed to Senator Minchin, the Minister representing the Prime Minister. I refer to the Prime Minister’s recent comment that he accepts the broad theory about global warming but is ‘sceptical about a lot of the more gloomy predictions’. I ask the minister: given that the European Union decided 10 years ago that avoiding dangerous climate change would require limiting the temperature rise to two degrees and thus establishing the target of reducing greenhouse gas emissions by 60 per cent by 2050, have the Prime Minister and the Australian government decided what temperature rise constitutes dangerous climate change as opposed to ‘gloomy predictions’? If so, what is that temperature rise and, if not, have the Prime Minister and the government failed to address or make a decision about this most fundamental question: what temperature rise constitutes dangerous climate change and when will they decide?

Senator Minchin—We understand the Greens’ complete obsession with this issue of climate change. I think it is a matter of record that the government accepts that the climate is changing; indeed, I think it is obvious that the climate has been changing since the planet was formed. But we do understand that there is evidence that there is global warming occurring. I think what the Prime Minister was referring to in his question was that he acknowledges that there remains some dispute about the extent of that warming and the causes of it. That is a matter of scientific dispute and I think I noticed just this week that the Intergovernmental Panel
on Climate Change has significantly reduced its forecasts for temperature rises over the course of the 21st century.

We do not, I am advised—Senator Ian Campbell may wish to correct me—have a particular temperature rise which we say would trigger certain consequences. But I should state for the record the very substantial commitment by this government to seek to mitigate the effects of climate change and to ensure Australia’s adaptation to climate change. Indeed, Senator Campbell has done an outstanding job as the minister for environment in ensuring that Australia is at the forefront of international efforts to seek to ensure we have practicable, sensible and affordable proposals, initiatives and policies to deal with this particular issue.

It is a fact of life that we have not signed the Kyoto protocol. We have said on many occasions we see no point in that. When substantial greenhouse gas emitters like the United States, China and India are not party to it, there is absolutely no point in signing that protocol. Nevertheless, we are one of the very few countries in the world, through our initiatives, commitment and investment, that are actually meeting the targets that were set for Australia. Other countries, which have signed, are nowhere near meeting their targets.

We are also signed up to the new Asia-Pacific initiative, which we think has enormous potential. The real key to this, as Senator Campbell has so eloquently put it on many occasions, is to ensure that there is the investment in the technological solutions required to ensure that our planet is able to adapt to climate change and to do what we can, realistically and affordably, to mitigate and contain the extent of climate change.

I think the Prime Minister was quite proper in his remarks. We stand entirely behind and beside his remarks in which he acknowledges the effects of, but properly acknowledges the continuing dispute about, the global warming forecast through the 21st century and, indeed, the extent to which both human activity and other forces are contributing to climate change.

Senator MILNE—Mr President, I ask a supplementary question. I thank the minister for his answer and inform him that his conclusions drawn from the IPCC report are absolutely wrong: they related to climate sensitivity and not to the projected climate temperatures expected by 2100. Now that the minister has conceded that the Australian government has not made a decision about what constitutes dangerous climate change and therefore does not have a target—if you have not made a decision about what your objective is then you have not got a target—can the minister explain how he makes decisions on climate change policy, including subsidies to various technologies like clean coal? How does the minister contribute to international discussions on the post-Kyoto emission abatement task if he does not have a clear sense of what the upper temperature increase ought to be?

Senator MINCHIN—I am not conscious of any country having a particular temperature target. What we have done is accept the Kyoto protocol targets in relation to emissions; and we are meeting those targets, unlike most other countries that have actually signed the Kyoto protocol.

The Greens are a one-issue party. They have no interest in any other issue but this. They are prepared to see the Australian economy trashed in order to pursue their mindless pursuit and single-minded obsessions. We are a government concerned about the welfare of the nation and ensuring that Australians continue to live a prosperous life, consistent with a sustainable environment. We have made a massive investment in en-
suring that we mitigate greenhouse gas emissions and that we work globally and internationally. There is no point in Australia trash-
ing its own economy, simply seeing its indus-
tries move offshore and creating even greater greenhouse gas emissions. That is what would happen if we pursued the Greens’ mindless policies.

Horticulture Code of Conduct

Senator O’BRIEN (3.26 pm)—My ques-
tion is to the Minister for Agriculture, Fish-
eries and Forestry. Can the minister confirm that, prior to the 2004 election, the govern-
ment promised to introduce legislation for a mandatory horticulture code of conduct within 100 days of the election? Did this not match a commitment that Labor had already given fruit and vegetable growers some months earlier? Didn’t the Deputy Prime Minister say on 1 October 2004 that the horti-
culture code was necessary to give small producers a better deal in disputes with big produce buyers, including the large super-
markets? Is it not the case that many fruit and vegetable growers remain disadvantaged in their dealings with produce buyers, including the supermarket chains, because of the government’s failure to deliver on its prom-
ise? Why has the government betrayed Aus-
tralia’s 20,000 fruit and vegetable growers?

Senator ABETZ—Senator O’Brien is very wisely off the topic of forests today and hid-
ing in the area of horticulture. I think he is well advised to be asking questions about horticulture as opposed to forestry. I can inform the honourable senator and all those sen-
ators over there, if they are willing to lis-
ten, that, whilst the government is still work-
ing through the detail of the horticulture code, it is committed to improving the day-
to-day relationships between fruit and vege-
table growers and wholesalers by providing greater certainty and clarity for transactions. It remains clear that there need to be mini-
mum terms of trade that are transparent and enforceable in law. Growers have the right to know prior to the sale whether the whole-
saler is acting as an agent or a merchant. Other aspects that are being worked on as part of this process include an effective dis-
pute resolution mechanism and the provision of clear market signals on price. In short, I say to the honourable senator: watch this space. The government will be making its announcement on the determination very shortly.

Senator O’BRIEN—Mr President, I ask a supplementary question. Why has it taken the government more than the 100 days that it promised fruit and vegetable growers it would take to produce this code, given that we are now well into the second year of this government? Why has the government ig-
ored the pleas from the likes of Senator Boswell, Senator Joyce, Senator Heffernan, the member for Hinkler, the member for Mallee, the member for Blair and the mem-
ber for Hume, urging that the promised code be delivered? How much longer do fruit and vegetable growers have to wait before the government actually does what it promised to do within 100 days of the election? When will the government deliver on its promise?

Senator ABETZ—There is one very sim-
ple answer as to why it has taken so long. Those on the opposite side would suggest that that is a negative. In fact, something I was able to say earlier today in a debate with Senator Ludwig was that we as a government pride ourselves on the basis of the degree of consultation that we have with the commu-
nity at large. So when we delay, from time to time, we use that delay, so-called, to consult. It is more important that we get these things right as opposed to abiding by some artificial timetable. The other thing that is very inter-
esting in Senator O’Brien’s question is that he talked about all the coalition members agitating for this horticultural code of con-
duct. Not a single Labor member’s name was mentioned. We know where the interest in this topic is: it is on this side of the chamber. Those on that side simply use it for political purposes.

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

BUDGET
Consideration by Legislation Committees
Questions on Notice

Senator Carr (Victoria) (3.30 pm)—On 14 August I asked Minister Vanstone, pursuant to standing order 74(5), if she could give an explanation as to why answers had not been provided to the Senate Legal and Constitutional Legislation Committee to a number of questions on notice asked on 22 May 2006. Three weeks later I ask again and remind the minister. I ask her why, as at 2 pm today, 35 questions remain outstanding?

Senator Vanstone (South Australia—Minister for Immigration and Multicultural Affairs) (3.31 pm)—A total of 290, including 455 subparts, were taken on notice. As at 1 September, my department had forwarded 232 answers to the committee. The others will come soon. Of these, 91 questions, including 152 subparts, related to the subclass 457 visas. The committee has received 47 answers in relation to those matters. That has diverted many departmental officers from day-to-day tasks. Many of these questions will require the retrieval of extensive data from systems and/or coordination of input from state offices—and in fact in some cases from overseas posts. Preparation of the answers has occurred at a time of competing priorities in the area responsible—that of coordinating investigations into a range of allegations that have been made, major policy issues around the meat industry and coordinating work on the report requested by COAG.

Senator Payne, the chair of the committee, has acknowledged that DIMA was the recipient of an enormous volume of questions on notice—in particular on this matter; although I do not know that she made that point—and that the secretary and senior officers of the department go out of their way to ensure that questions are returned as promptly as possible. This I think was an exceptional case. There was a tremendous amount of questions with a lot of subparts. We are doing our very best, and you will have the remainder of them as soon as we can possibly get them to you.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS
Defence Headquarters Joint Operation Command: Bungendore

Senator Minchin (South Australia—Minister for Finance and Administration) (3.32 pm)—Yesterday, Senator Bishop asked me a question in relation to the Defence joint operation command centre and I undertook to get further information from Defence in relation to the whole-of-life costs of that project. I seek leave to incorporate additional information in Hansard.

Leave granted.

The answer read as follows—
I am advised that at the conclusion of Defence’s attendance at the Budget Estimates hearing on 1 June 2006, Senator Bishop requested Defence take on notice to provide the Committee with the total cost over the 30 year period of the amount to be paid by the Commonwealth, the annual service payments for the construction and operation of the joint headquarters facility, and the public sector comparator costs used in the value for money assessment, after those details became available. I am advised that the information sought by Senator Bishop is being compiled by Defence and will be provided to the Chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Johnston, in the near future.
QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Answers to Questions

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (3.33 pm)—I move:

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

In doing so I want to concentrate on the response of Senator Vanstone to questions relating to the subclass 457 visas. I would like to say at the outset that I very much enjoyed the minister’s theatrical performance in response to the Dorothy dixer she got. She is very good at it. Some of the best comedy routines I have seen have been performed by the minister. But the key issue is whether or not she is meeting her responsibilities as a minister in dealing with the hard policy issues. On two occasions today, and once yesterday, I asked the minister to give an assurance that she was satisfied with the performance of her department in administering the subclass 457 visas. On each occasion the minister refused to endorse the department’s actions. The minister has refused to state that she believes the visa system is being administered properly and that there are not major flaws with the scheme.

What we have seen from the minister, time and time again, are these sorts of dismissive, theatrical performances—but she fails to answer the key questions. When she is confronted with the shocking examples of abuse of the subclass 457 visas—of workers being forced to pay $10,000 to come to this country; of workers being underpaid, exploited or working without proper safety conditions; of workers being required to operate in areas where they do not have the skills—she has no answer except to say that the fact that the complaints are being raised proves that the system is working. Have you ever heard anything more bizarre? The fact that there is example after example of workers being exploited under the 457 visa system is proof that the system is working. I do not know what planet she is from, but it does not make any sense to me and it does not make any sense to anybody following these issues. What she is saying is that the complaints system is working. I do not think that is right either. She failed to answer the questions asked of her today relating to the inordinately long time it took for the department to intervene in a range of cases—answers, incidentally, that Mr Ruddock was prepared to deal with over the last couple of days in the other place. He is obviously better informed on these matters than the minister.

I think it actually highlights the fact that she is not prepared to engage in the detail. She is not prepared to defend the department. She is not prepared to defend the department’s administration of the scheme, because she knows that, as in so many other areas in the experience of the department of immigration, there will be serious problems. We know there are serious problems. We have the stories in the papers of the serious problems in the way these people have been exploited. The minister will not engage with the detail. She is dismissive of any attempt to engage with the question of whether or not these people have been exploited.

I support the 457 visa system in the sense that it allows skilled workers to come to this country. But I do not support a system that allows exploitation of foreign workers. I do not support a system that allows the importation of labour into areas where there are not skill shortages in this country. And I do not support a system that allows people to work in unsafe conditions doing jobs that they do not have the skills for. I certainly do not support a system that ignores the training needs of young Australians in order to bring people in to do the jobs that they could do. We do
need skilled workers. We do need to bring them in to fill the skills shortages. But we need to administer that properly. We need to ensure that they get justice. We need to ensure also that it is not part of a broader attempt by the government—which Minister Vanstone admitted was part of her motivation—to drive down Australian wages and to put pressure on Australian wages.

The minister let it slip out a month or two ago that one of the advantages of the 457 system was that it allowed downward pressure on Australian wages. So not only does it export foreign workers, but it actually helps to lower the wages received by Australian workers and prevents training Australians to take up skills. The minister has to engage and answer for the administration of the scheme. She cannot just go on pulling stunts. She has still refused to provide me with the information regarding the occupations of principal applicants under the 457 visa system. She says I am wrong with the list I got from the Parliamentary Library. Let her produce the real list. Let her come clean. (Time expired)

Senator IAN MACDONALD (Queensland) (3.38 pm)—I thank Senator Evans for his complete endorsement of the government’s policy and of the minister and her approach to the 457 visa issue. Having heard Senator Evans indicating his support—and we know, as Senator Vanstone very adroitly pointed out today, that of course Senator Evans would support it because the union movement, who gets Senator Evans where he is, sitting at the table there, are actually users of it—

Senator Sterle—Not trying to undercut Australian wages and conditions like your mob!

The DEPUTY PRESIDENT—Senator Sterle!

Senator IAN MACDONALD—Senator Sterle, quite clearly the union movement has not got the skills in Australia to do these fairly simple jobs. People like you obviously do not have any skills, so they throw you into the Senate.

Senator Sterle—Aren’t you bitter and twisted: you are the only minister to get the chop in the summer holidays!

Senator IAN MACDONALD—They throw you into the Senate, where you are not too much of a worry to anyone!

Senator Sterle interjecting—

The DEPUTY PRESIDENT—Senator Sterle! Senator IAN Macdonald has the call.

Senator IAN MACDONALD—Senator Sterle quite clearly should have applied for those jobs, but he could not compete with the skills requirement, so they had to import people from overseas to do the jobs which otherwise Senator Sterle might do.

This government, and I thank Senator Vanstone for her part in it, has presided over an economy which has seen the highest wages across the board for workers in Australia and, of course, the highest employment figures practically in history—certainly in the last 30 years. Each quarter new jobs are created by this government, unemployment continues to fall and it is because of the adroitness of the government that we have this situation—a situation which is almost bordering on overfull employment. It is for this reason that this 457 visa is so very necessary for Australia and so well appreciated by those businesses in Australia desperately seeking skilled employment.

I have mentioned in this chamber a number of times the critical shortage of workers at a goat processing factory in Charleville and another factory next door which processes kangaroos and wild pigs. They cannot get labour into those areas. They have been
able to access, through the 457 visas, some Vietnamese families who have put in a fantastic effort there, side by side with Australian-born and Australian-naturalised workers and Indigenous workers—all working together in those processing factories in a very cooperative and worthwhile way. They get paid award wages. They get the same wages as Australian-born or naturalised workers who work next door to them.

This whole scheme is implemented with the right sorts of conditions and requirements to ensure there is no exploitation. Exploitation does occur and has occurred, and it is a credit to the minister and her department that these rare cases of exploitation have been followed up. They have been dealt with efficiently by the department and by the minister. There are some problems at times but the arrangement of the scheme is such that these can be followed through and addressed, and that is what is so very important in the scheme. The 457 scheme is a great credit to this government, as are the wages paid to all employees and the employment levels in Australia at the moment. I can only conclude by again congratulating Senator Vanstone on the way she administers a difficult portfolio and administers it so well. I thank again Senator Evans for his endorsement of the government’s policy and his endorsement of Senator Vanstone and her department.

Senator FAULKNER (New South Wales) (3.42 pm)—What a poor effort we have seen in question time today from the government. First of all we had the spectacle of Senator Vanstone unable to provide a straight answer to a straight question about 457 visas. You have the usual bluff and the usual bluster from Senator Vanstone, but we all know what she is about here: driving down wages and working conditions of Australian workers. That is what it is all about, and her administration of this issue—in a badly administered department, of course—is a disgrace. Her administration of her portfolio responsibilities remains the greatest scandal in public administration in this country.

We had that; then of course we had Senator Santoro on his feet, trying to give a bit of gee-up for the Queensland election campaign—one of the great own goals in Senate history. First of all, he got the question from Senator Brandis, a joke in itself, because Senator Brandis is so jealous of the fact that Senator Santoro is on the front bench despite the fact that Senator Santoro has much less ability than Senator Brandis. It is true: Senator Brandis is much more able. But Senator Brandis is on the back bench; Senator Santoro is on the front bench—and every question he gets, he fluffs.

He managed to do that again today. He even forgot that Senator Boswell was a Queensland coalition representative in the Senate. Then, when he was reminded, he completely forgot about Senator Joyce’s existence. Anyway, he was reminded by this side of the chamber, his own team and a very red-faced Senator Joyce and Senator Boswell. Senator Santoro put in a shocker. We are used to that. Then of course we had Senator Abetz. He also tried to get into the Queensland election campaign to give a bit of a confidence builder to Senator Boswell by saying what a terrific job Senator Boswell had done at a public meeting—‘He’s not a bad bloke at all, he’s a patsy for the National Party, a patsy for the coalition, a patsy for the Liberal Party—a terrific bloke. We don’t like Senator Joyce, but Senator Boswell is a terrific patsy for the coalition and the Liberal Party in Queensland.’

It was an attempt to get a few votes in the Queensland election. It will backfire, it will boomerang and it will not work, as we know. Then we had Senator Ian Campbell, again, speaking on the orange-bellied parrot—
another abysmal performance. One of the
great fiascos of this parliament is Senator
Campbell’s handling of the Bald Hills wind
farm issue. He still cannot answer a question
about how he has managed to balls this issue
up so monstrously to have ended up with egg
all over his face, worthy of what you would
expect if you had thrown eggs in any propel-
lers of any wind farm. What a performance,
again, from Senator Campbell today. But this
all pales into insignificance compared to
what we saw from Senator Ellison.

Senator Ellison was asked a perfectly rea-
sonable question by Senator Ray. Senator
Ray asked: ‘Why are young Australian ser-
vice men and women risking their lives in
Afghanistan to protect a government that
ignores poppy cultivation, which in turn has
the effect of allowing heroin to be sent to
Australia, with the resultant death of young
Australians?’ Senator Ellison deliberately
turned this round, suggesting that Senator
Ray was suggesting that Australian troops
were protecting poppy producers in Afghan-
istan. What a disgraceful, despicable and con-
temptible slur that was. Senator Ray will not
say this, but I will say it: there is no person
in this chamber who has given greater sup-
port to our defence forces and troops than
Senator Ray. No-one has worked more
closely with them, no-one has defended them
more and there is no-one who has greater
respect from them and there is no-one who
less deserves that despicable attack from
Senator Ellison. But how typical! Senator
Ray called Senator Ellison a dog and with-
drew it, but Senator Ellison is so gutless, so
low, he would not withdraw that slur against
Senator Ray. What a shocker, what an awful
performance. (Time expired)

Senator McGAURAN (Victoria) (3.48
pm)—There was no clearer and straighter
answer given today than that from Senator
Ellison to Senator Ray’s question. We all
know that old political roue: he threw it out
there and no sooner did it go belly up than he
tried to reel it back in. The answer was
straight and clear from Senator Ellison to-
day: of course the government has a concern
with regard to the Afghanistan poppy-
growing industry. That it is and has been in
the past and could well become a primary
market in Afghanistan, the government is
concerned about and is acting upon it. But
the truth of the matter is that the main source
of heroin to this country is South-East Asia.
It is not Afghanistan. According to Senator
Ellison, there have been samples and exam-
ples of heroin coming in from Afghanistan to
Australia, but it is not the primary source
into this country at all. That is the straight
answer he gave you and that is the one you
reeled back from mighty quickly, Senator
Ray. It was pretty pathetic to see from some-
one with your background.

We know the committees that you repre-
sent, we know the information that you have
and to take up a cheapjack question such as
that was pretty pathetic indeed. There is no
minister in this government who has had
such a success rate with regard to the gov-
ernment’s Tough on Drugs policy than Sena-
tor Ellison. Don’t come in here and say that
you have supported to the hilt the govern-
ment’s Tough on Drugs policy. You have not.
You have given it qualified support. That is
the best I can say: you have given this gov-
ernment’s Tough on Drugs policy qualified
support. You would not come out when most
needed and condemn the New South Wales
government when they brought in their harm
minimisation program with the heroin inject-
ing room policy. You went quiet and soft on
that. You are tough on drugs when it suits
you to be but, when one of your own intro-
duces a harm minimisation policy, you go
quiet.

In fact, you have given qualified support
to the government’s Tough on Drugs policy,
which has been enormously successful, and
no minister has guided that policy better than Senator Ellison. It has a three-pronged approach: firstly, the education policy, which goes into schools and onto the television and into newspapers, educating the public and the young with regard to the harm that drugs bring; secondly, introducing the full force of the law, which is something you have shied at over there. You have shied at the full force of the law and the tough penalties. And what a result this policy has had. We have had record busts in heroin to the extent that we have a drought in heroin in this country. We are proud to say we have created a drought in heroin in this country. Senator Ellison cited the example of the Herald Sun, where it produced, alongside the disastrous and tragic road toll figures, the heroin overdose figures, which once remarkably and incredibly matched the road toll figures. That is no longer the case today. One of the reasons is the Tough on Drugs policy, the tough law enforcement and the greater resources given to the Federal Police and also the Australian Crime Commission, in tandem with the state police.

That has been incredibly successful in drying up the heroin coming into this country. We acknowledge that there has now been a shift towards amphetamines because of the focus of the Federal Police and the Australian Crime Commission on the heroin trade. We will now get tough on the amphetamine trade too. It is a never-ending cycle but if you are not tough, if you do not have the laws and you do not have the education policy you will not be successful. Senator Ellison has been a successful minister, a minister who is undeserving of that question. In fact, the questioner was undeserving in presenting that question. God knows where it came from out of the tactics committee. It was utterly undeserving. It was not worthy of Senator Ray and it was certainly not worthy of the minister. (Time expired)

Senator ROBERT RAY (Victoria) (3.53 pm)—We have heard from the pathetic defector from the National Party in Victoria talking about heroin drying up—and as a broad principle that is correct. But if he cannot see that the 162 per cent explosion in land cultivation of the poppy in Afghanistan is eventually going to affect Australia, I feel sorry for him. One of the reasons why most heroin comes from the Golden Triangle into Australia is that the rest of the Afghan heroin production goes to the rest of the world. But we are not isolated from the rest of the world. If it expands and blows up in Afghanistan it will be available to come into Australia. That is the first point.

Secondly, in my supplementary question I asked Senator Ellison what the Australian government is doing to assist the Afghan government to stop this explosion—no answer; that part of the question was not addressed at all. The part that was was addressed with a distortion of my question. My question was fairly explicit. It asked about Australian troops who were in Afghanistan—we know the reason they are there and we support the reason they are there—and whether the Afghan government is so inept that it cannot stop the explosion of poppy growing, which in turn, by the way, is funding the Taliban to be able to resist and threaten Australia’s troops. How you can move from that point there to say that my question alleges that Australian troops are protecting poppy growers, I do not know. It takes an awfully sick mind to get there. It is a pathetic diversion tactic, and it does not do Senator Ellison any credit. I did ask him to withdraw it. He refused.

I remind the chamber I made some silly interjection here about 18 months ago, it was not recorded in Hansard and a senator on the other side took objection to it and mentioned that to me. I came straight down to this chamber, I apologised to the senator and I
withdrew the remark, and, apparently, only a couple of people ever knew what the remark was. So I have at least set the example. As for Senator Ellison, for the first time in this chamber in 25 years I ask for something that was said about me to be withdrawn—doesn’t happen, and the Leader of the Government in the Senate, who is sitting at the table, does not encourage it. I am disappointed in him.

Question agreed to.

**Climate Change**

**Senator MILNE** (Tasmania) (3.55 pm)—

I move:

That the Senate take note of the answer given by the Minister for Finance and Administration (Senator Minchin) to a question without notice asked by Senator Milne today relating to global warming.

I refer to the answer that Senator Minchin, the Minister representing the Prime Minister, gave in response to my very reasonable question about what the Australian government believes is the degree of temperature rise that would constitute dangerous climate change. Senator Minchin said in his answer that he does not know of any country which has done that. As I pointed out in the question, the European Union made that decision 10 years ago. They put to themselves that question: what constitutes dangerous climate change? They decided it was two degrees and, in order to achieve something, set the target of a 60 per cent reduction by 2050. Perhaps Senator Minchin is not aware that article 2 of the United Nations Framework Convention on Climate Change, a convention that Australia has signed and ratified, says very clearly:

> The ultimate objective of this Convention and any related legal instruments that the Conference of the Parties may adopt is to achieve, in accordance with the relevant provisions of the Convention, stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

That is the obligation of all signatories to the United Nations Framework Convention on Climate Change. We as a nation are supposed to make that decision. Scientists cannot decide; governments and societies have to decide what level of climate change they regard to be dangerous and therefore set in place targets to make sure we do not drive the global temperature higher than that.

Australia is abrogating its responsibility under the United Nations Framework Convention on Climate Change by not doing that. Every day Senator Minchin and others in the government are saying, ‘Oh, if we address climate change and if we reduce emissions then the economy will be a mishmash.’ He might have a look at the *Financial Review*, which points out that Ford and Holden have lost their contracts with Australia’s largest rent-a-car business because it has gone offshore and signed a contract with Subaru; all its future rental cars will be smaller, more fuel-efficient vehicles. What is happening is that Australian manufacturers’ workers are being put out of jobs because the government will not keep up with global trends in terms of both greenhouse gas emissions and vehicle fuel efficiency. In the course of the oil inquiry, we had numerous people come before us saying that they were going to have to go overseas because they were not getting the support that they required from the Australian government—so new technologies are going offshore.

More importantly, let us talk about the impacts of increased temperatures. The current temperature has increased by 0.6 of a degree. With that we have got the most appalling drought affecting the whole country,
we have got Melbourne on critical water restrictions, we have got south-east Queensland drying out, we had the highest temperatures all over New South Wales last summer and we have already got failed crops. We are anticipating an earlier bushfire season. In Victoria they are already training volunteers for it.

So let us count the costs of more extreme droughts, floods and fires in Australia, not to mention storm surges. If you build a new apartment block on the coast in Queensland, you have to put life rafts in the building in case there is a huge storm surge. That is in response to what occurred in New Orleans. We have the reality of climate change in this country. The insurance industry know it is there and that is why they have changed their provisions to no longer insure people against storm surges, tsunamis et cetera—anything related to climate change.

The business roundtable has set out the fact that the Great Barrier Reef will become bleached and the Kakadu wetlands will be lost. Just as importantly, we are going to see this country drying out to a point where we will have serious conflict over water and serious losses in our agricultural sector. These are the impacts of climate change. That is why the Greens are taking this up to the government. This is going to affect every Australian and we need an answer to that question.  

(Time expired)

COMMITTEES
ASIO, ASIS and DSD Committee

Report: Government Response

Senator COONAN (New South Wales—Deputy Leader of the Government in the Senate) (4.01 pm)—I present the government’s response to the report of the Parliamentary Joint Committee on ASIO, ASIS and DSD on the private review of agency security arrangements, and I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—

Government Response to the Third Report of the Parliamentary Joint Committee on ASIO, ASIS and DSD

Private Review of Agency Security Arrangements

The Government has considered the Committee’s report on its private review of Agency security arrangements. The Government has decided to implement most of the Committee’s recommendations. This response sets out the action taken to deal with each of the recommendations.

Recommendation 1

That, as a first priority, the agencies address any existing or anticipated backlog in initial vetting and re-evaluation of TSPV security clearances to ensure that these processes meet PSM standards by 2003-2004 at the latest. Further, that the agencies include statistics on the number of outstanding TSPV re-evaluation cases and the times taken to process clearances in the reports made to this Committee as part of the annual review of administration and expenditure.

Accepted with a qualification.

ASIO reports that it does not have a backlog in initial vetting or re-evaluation of TSPV security clearances. ASIS and DSD report they have given priority to, and made substantial progress on reducing backlogs in initial vetting of TSPV cases, and anticipated increases in initial TSPV clearances. DSD was unable to complete the backlog of overdue re-evaluations in FY2003-04. The responsibility for re-evaluations transferred from DSD to the Defence Security Authority (DSA) in 2004. While priority has been given to clearances for new DSD staff, the increased demand for initial and upgrade TSPVs across Defence (particularly for operational deployments) and Defence industry, has placed increased pressure on DSA’s capacity to complete initial and upgrade TSPVs and to complete re-evaluations. The Secretary of Defence has issued a formal waiver of the Commonwealth Protective Security Manual requirements in this area and DSD has implemented more rigorous internal management of its staff in the meantime. The backlog of TSPV re-
evaluations is unlikely to be completed before FY 2006-07.

Statistics on the number of outstanding TSPV re-evaluations in each agency, and the current time-frames for processing TSPV clearances, will be reported to the Committee as part of the annual review of administration and expenditure.

Recommendation 2
That the IASF review urgently areas where agencies are experiencing difficulties obtaining security-related information about personnel, such as the refusal by credit reference agencies to provide information direct to the Commonwealth, and develop proposals for appropriate legislative or policy action by the Commonwealth Attorney-General.

Accepted.

The IASF recognises that there are some difficulties in obtaining security-related information for vetting purposes. The Forum was of the opinion that legislative change may not be feasible at this time and other avenues should be explored first. The IASF directed the Personnel Security Working Group to look at current research and programs being undertaken by government departments, to help develop proposals for change to address these difficulties.

Recommendation 3
That, as a priority, DSD implement random bag inspection procedures at all its headquarters facilities and all other installations in Australia.

Accepted.

DSD reports that it has implemented random carried items inspections at the required locations.

Recommendation 4
The Committee recommends that, subject to the outcomes of the IASF working group findings, ASIO, ASIS and DSD allocate funding for the development and implementation of electronic article surveillance systems for all Australian offices and installations.

Not Accepted.

The Government will not be immediately implementing the Committee’s final recommendation to fund development and implementation of electronic article surveillance systems. Electronic tagging systems are easy to defeat, and readily circumvented unless the functionality of the item being protected is almost completely compromised.

ASIO has monitored electronic tagging technology continually since 2002. ASIO advised that research by its own T4 Protective Security element, and recent liaison with sister agencies in the UK and USA failed to reveal any systems in existence or development that are capable of overcoming the identified deficiencies.

The Government believes that the large investment costs needed to attempt to develop an electronic article surveillance system incapable of being easily defeated, or circumvented, cannot be justified. The limited areas of application of the system (in Australia and abroad) deny the prospect of any sensible returns on this investment in the unlikely event of successfully developing such a system. The Government considers investing in more effective through-life management of the personnel security processes, improving protective security education and awareness, and increasing auditing and accountability processes will deliver better security outcomes that deter and prevent the unauthorised removal of security classified assets.

Senator ROBERT RAY (Victoria) (4.01 pm)—by leave—I move:

That the Senate take note of the document.

This response is well outside the three months required by the Senate but, when governments respond to matters related to intelligence and security, I would much rather that they give a considered opinion to the Senate and the House of Representatives than rush something that only pays lip service to the report—one cannot accuse the government of doing that on this occasion. There were four recommendations, and the government have given us a full, rational and reasoned response to each of the recommendations.

The first recommendation relates to the way intelligence agencies do positive vetting. There is no doubt that, at different
stages, different agencies have fallen a little behind in this and a backlog has been created. Since this report has come down, further evidence has come to light that most of these backlogs are being eliminated—and the committee would view that with great pleasure.

When you consider that ASIO is going to grow from 600 staff to 1,800 staff over a four- to five-year period, you can see how important it is for these vetting processes to be on track and on time—and the efforts made by the agency to do so are quite impressive. We know that there is going to be considerable growth in ONA, ASIS and the various Defence intelligence agencies. This growth can only be effective if each of the new employees is given a security clearance. Security clearances are done more widely than in just those particular agencies, but it is essential that they keep up to date.

One matter of concern at the time was that employees have to be re-evaluated after five years. Circumstances can change and, therefore, employees have to be vetted again. There were minor lags in some agencies but that has been addressed by the agencies. I congratulate the agencies on continuing to improve in this area.

The final part of the recommendation, which the government has accepted, is that each of these agencies report to the Parliamentary Joint Committee on Intelligence and Security and give us the statistics on whether there is a backlog or otherwise. It would not necessarily be advisable for these figures to be published in annual reports, but the committee will continue to monitor progress and, if we find problems, we will be able to write directly to the minister in charge and draw them to his or her attention.

The second area on which we made a recommendation was access to credit rating agencies. This has to be part of the positive vetting process, but often credit agencies are not that cooperative. We recommend that the government consider legislating in this area because it is absolutely crucial that full positive vetting be done on these employees. The government have responded by saying that, whilst they are not ruling that out, they would prefer other methods to try to achieve that. I am quite happy with that. Let us give the government and the agencies time to establish a relationship with these credit agencies rather than having to bring in the heavy hand of legislation. But I do say to these credit agencies that, if they do not cooperate, in the long run we will have to legislate in that area.

The third recommendation we made was that DSD implement a policy of bag inspection—that is, employees going in and out will have their bags searched on a random basis. This is something that applies in virtually every other intelligence and security organisation. But, for historical reasons, industrial relations reasons or who knows what, in the mists of time there were not bag searches at DSD. We think that in the modern age that is unacceptable. DSD agrees and I think its employees now agree, so they will now be subjected to random searches. It is very difficult to search a bag every day but, as long as you know that your bag could potentially be searched, you would, I think, never try to run the gauntlet.

The final matter that we addressed in our recommendations was a hope that there would be development and implementation of electronic article surveillance systems for all Australian offices. Simply said, leaking is anathema to security and intelligence agencies—let us face it. If you can electronically tag documents so that you can retrieve and see the source of the document, you will prevent leaking. That sounds terrific to the committee. The government have rejected that by saying they think that is avoidable—
that it is too easy to find a way around that system and still have documents go missing. I accept that—they are the experts—and they do believe that putting money into education and other security methods would be more effective than the ineffective electronic tagging of documents. I do not pretend to be an expert in this area but, on behalf of all the other committee members, we would accept the government’s recommendation with regard to this.

This will be the last such report that covers ASIO, ASIS and DSD because the remit of the committee, as you would realise Mr Deputy President, has been extended to DIO, DIGO and ONA. So, from now on, when governments respond to reports they will be responding to findings across six agencies, not three.

In conclusion, I have had the privilege to look at oversight of intelligence agencies recently in five countries. And I would have to say, without question and without doubt, that the oversight system in Australia is more effective and more comprehensive than in any of those other countries. For instance, I was surprised to find that France does not yet have parliamentary oversight of its security and intelligence agencies and that inspectors-general do not exist in most countries. Yet we have both: we have parliamentary oversight and we have the inspector-general’s oversight. So we do have comprehensive oversight of our intelligence and security agencies.

By the way, we should have because, year by year, we are giving these agencies wider scope and wider powers, all of which could potentially infringe on the human rights of Australian citizens. If we are going to do that, we are acting appropriately by widening scrutiny and supervision, all of which will prevent abuse. Abuse is normally prevented in Australian society through transparency. It is very hard to have transparency in intelligence and security organisations. Therefore, parliamentary supervision and independent supervision by the Inspector-General of Intelligence and Security provide the necessary balance for us to get the system right. I have to say that, compared with what most other countries are doing, we are getting it right. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Publications Committee

Presiding Officers’ Response

The DEPUTY PRESIDENT—I present the response of the Presiding Officers to the report of the Publications Committee on the distribution of the parliamentary papers series.

AUDITOR-GENERAL’S REPORTS

Annual Report

The DEPUTY PRESIDENT—in accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Australian National Audit Office—Annual report for 2005-06.

Report No. 3 of 2006-07


Senator MARK BISHOP (Western Australia) (4.10 pm)—by leave—I move:

That the Senate take note of the document.

I want to take note of the performance audit by the Australian National Audit Office on the management of Army minor capital equipment procurement projects. In doing so, I speak with some reluctance because it is
almost like groundhog day here when one rises to speak on procurement projects administered by various services of the Australian defence forces.

Over the last 12 or 18 months, we have had numerous reports from the Australian National Audit Office on major capital equipment projects and purchases, some in excess of $1 billion or $2 billion. Many of those projects were identified by the Audit Office as being highly over contract cost and significantly behind time. They would have had an effect on capability of troops in the field but for emergency responses by the relevant services.

Through questioning, a pattern has emerged as to the reasons for time implementation and cost overrun in all of those major equipment projects. Basically, it goes to issues relating to significant developmental costs in a lot of the equipment that the Australian services seek to have; it goes to changes in contract specifications during the period of construction of the project; it goes to requirements that are added into the project by the Army, Navy or Air Force as the particular project gets under way. So a range of reasons have been advanced. Some of those reasons have a significant degree of veracity about them, one must say at the outset. Some of them smack of justification after the event, when there really is no adequate reason for the time delay and when the time delay was caused by poor supervision, inadequate drafting, incorrect allocation of staff and a whole range of reasons which go to organisational features of one or more of the armed services. Nonetheless, it could be and has been said that, in a range of major capital equipment projects, there were reasonable explanations as to delays.

This report by the Audit Office, however, falls into a different category. This is not about state-of-the-art missiles or helicopters; this is not about next-generation fighter aircraft; this is not about changing specifications to major war-tanks in a desert environment. All of those things are probably covered by my introductory remarks. This audit report identifies small-scale projects—matters like combat boots, wet weather ensembles, propulsion boats, light engineering tractors, hand-held rangefinders, medium graders, medium bulldozers, artillery orientation systems—a lot of very basic equipment that mobile army forces in any part of the world need. Such equipment includes tractors, graders, wet weather equipment, boots, field refrigeration storage and distribution, and mobile refrigerators or freezers—basic commodities and ones which generally can be purchased off the shelf or, indeed, if there are particular requirements, as is often the case with important items like boots, can be manufactured at relatively short notice.

Unfortunately, what we have found is that, for 10 projects that had been delivered between 1994-95 and 2003-04—a period of eight or nine years—the slippage in service date totalled 39 years, or an average of 3.9 years per project. That is a terrible figure. Army minor projects, by value, delivered between 1995 and 1 July 2005, were on average almost four years late—a terrible situation. What is worse, the report identifies that Defence has moved to implement some administrative changes, some procurement practice changes, over the last two years to try and improve the system.

In terms of current ongoing projects, there has indeed been an improvement. For the seven identified projects, the time delay has been reduced from 39 years to 23 years. That is apparently a significant improvement, but, when you do the division, the time delay in current ongoing projects is still 3.3 years. So, notwithstanding early identification of delays, adequate explanation of those delays by the audit office of Defence, Defence’s recog-
nition of the need to change and some changes in administrative practices and procurement projects, the delay in Army minor projects for current ongoing projects is still in the order of 3.3 years. So we have a significant problem in major capital items.

The Audit Office has identified a significant problem in Army minor projects and, regrettably and unfortunately, at this very date we have significant ongoing problems in the acquisition of basic kits and equipment in current ongoing projects—a most reprehensible situation indeed. As one goes into the body of the ANAO report, its main findings identify that just three of 18 projects—10 completed, eight ongoing—were delivered on time. Costs for eight of the 10 projects delivered had risen because of time slippage. So there were delays, time slippages and additional costs. Why was that?

Because many of the complex procurement arrangements were managed by just one person. So we were saving cents by having an inadequate number of staff for labour and inadequate levels of senior supervision, and there were delays of an average of 3.3 years per project, cost blow-outs of hundreds of millions of dollars due to time slippage and additional costs because of those delays.

You do not have to spell it out in black and white: that is just a manifestly terrible situation, an unacceptable way of organising a business, and it results in not supplying equipment and material of the required standard on time to our troops in training here in Australia and our troops overseas. Troops in training is one aspect—and the matter of troops in training in Australia is not as important as that of troops overseas—but, when one goes to the body of the report, particularly at paragraph 9, there is a very craftily worded opening sentence. It says:

While some of the projects are late in terms of delivering the items sought, this does not always translate to a loss of capability.

By implication, necessarily, this means that sometimes, or on occasion, troops in the field do not have 100 per cent capability because of the failure to deliver contracted materials on time. Not always—I do not say that. Not forever—I do not say that. But the wording in this paragraph by the ANAO necessarily leads to the conclusion that on occasion—logically, on more than one occasion—an inability to deliver required kits or equipment to troops serving in the field has led to a loss of capability.

In due course, the minister or someone in authority will respond to that cutting finding of the ANAO and perhaps there will be a reasonable explanation or a different interpretation of that particular sentence that I cannot readily comprehend at this stage. But, if my interpretation is correct, it is really a most terrible situation that, by definition, we have to rely on allies to provide equipment or kits to our troops in the field or we have to pay a premium to commercial suppliers to provide the equipment. Even I cannot believe that our government would countenance our troops in the field, engaged in operation, not having the required equipment to deliver capability. At this stage, it is just an issue of time slippage and cost overrun. I seek leave to continue my remarks. (Time expired)

Leave granted; debate adjourned.
ASSENT

Message from His Excellency the Governor-General was reported informing the Senate that he had assented to the bills.

QUESTIONS WITHOUT NOTICE:

ADDITIONAL ANSWERS

Skilled Migration

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural Affairs) (4.22 pm)—by leave—It is not usually a pleasure to ever have to correct a statement that you have made in this place, but in this case today it is somewhat of a pleasure to do that. Earlier today, I provided to the Senate some examples of the use of 457 visas by unions which were provided to me, partly by the department and partly by my office. They showed that unions were using the scheme, but the unions want to restrict employers from using 457s in Australia. One example used was the National Tertiary Education Industry Union. I was told they had employed an industrial relations officer on a 457 visa. I am now advised that that person was not seeking a 457 visa.

Nonetheless, it is an example of the same sort of thing I was talking about—namely, saying one thing and doing another. That particular individual has applied for a regional sponsored migration scheme visa, which requires a regional certifying body to certify it. The reason it was listed in the examples of saying one thing and doing another is that there has been criticism from my colleagues opposite about regional certifying bodies. It does appear that they would be happy to accept a yes from the RCB, if in fact a yes is given, because this application is in the process of being processed.

MEDIBANK PRIVATE

Senator McLUCAS (Queensland) (4.23 pm)—I move:

That the Senate—

(a) notes that:

(i) the Government is divided over the sale of Medibank Private,

(ii) the public is concerned about the consequences of the sale of Medibank Private and its impact on the affordability of private health insurance, and

(iii) despite government promises to keep private health insurance premiums low, they have risen by almost 40 per cent since 2001; and

(b) calls on the Government to abandon plans to sell-off Medibank Private.

It is timely in this week of confusion and chaos in the coalition parties that we have the opportunity in the chamber today to debate this motion about the future of Medibank Private. As you would be aware, Mr Deputy President, Medibank Private is the only national private health insurer in Australia. It is owned by the Australian government and therefore the Australian people.

The first point in the motion is:

the Government is divided over the sale of Medibank Private …

Any casual observer of this week’s media would be able to see the division in the government about how the government might dispose of Medibank Private. On the one hand, you have a group proposing that Medibank Private should be sold to a series of other operators, including potentially of course operators who are not Australian. On the other hand, you have a group suggesting that Medibank Private should be floated on the stock market. We have two completely different points of view from the government members as to what they think might be the
best way to proceed with the sale of Medibank Private. Which group they belong to, of course, depends on which ideological faction they are from. It is ideology, not sensible policy on private health insurance, that is driving the privatisation of Medibank Private.

There are two groups of people in the Liberal and National parties debating whether it should be sold as an entity to other private health insurance providers or floated on the stock market. There is confusion and chaos amongst the Liberal and National parties about how to dispose of the entity, but there is no evident confusion on the government benches about whether Medibank Private should be sold. They seem to be as one on that issue. It is not a question of whether Medibank Private should be sold; it is certainly the question of how to sell it that is causing them all this trouble.

The pursuit of this sale is evidence that the government has no care about the effect it would have on the three million members of Medibank Private. There is no care for the effect on the economy and there is no care for the effect on other private health insurance providers or in fact on the whole private health insurance sector if this sale goes ahead. With some of the murmurs I have heard from Senator Joyce, I do not hold out a lot of hope for the government negotiating a reasonable way forward. He too is focused on how to sell the entity, not whether to sell the entity. We have a clear distinction between the government and the opposition on this issue. The government is saying we should be able to sell Medibank Private and, here in the Labor Party, we are saying that is not the way to go.

The second point in the motion we are debating this afternoon is:

the public is concerned about the consequences of the sale of Medibank Private and its impact on the affordability of private health insurance …

Yes, the public is concerned. On Monday, in a question in question time, I provided Senator Minchin with the opportunity to explain the basis for his claims that privatisation will result in lower premiums. I have to say, his answers were less than comforting. He said:

… based on advice we had in our scoping study—

and I will come back to that—

… the efficiency dividend that could be derived from the private ownership of Medibank Private would lessen the upward pressure on health insurance premiums.

He says to the media in the public arena that selling Medibank Private would result in lower premiums, but here in the chamber where someone is going to write it down, where someone is going to hold him to his word, he slightly changes the message. The message now is ‘lessen the upward pressure on health premiums’. Senator Minchin, that is not good enough. He went on to say:

The scoping study indicated in some detail the extent to which the efficiency dividend that would be derived from private ownership of Medibank Private would lessen the upward pressure on health insurance premiums.

He has taken the opportunity to say it twice.

We have given Senator Minchin the opportunity to share the background. What is the rationale behind his ability to make those slightly different statements? How can he say that it is going to either put pressure downwards on premiums or at least stop them going up too high? This is the scoping study. I have asked Senator Minchin twice in this chamber to provide us with a copy of the scoping study so we can have a look at the rationale that supports the premise that he is prosecuting.
Unfortunately for the three million members of Medibank Private and unfortunately for the private health insurance sector, Senator Minchin has done what this government is turning into an art form: saying that commercial-in-confidence decisions would preclude him from being able to provide that scoping study to the chamber. But I ask again. It is only fair for this community to understand the principles that drive this government to be able to make those sorts of comments. It is only fair that we have a copy of the scoping study that would indicate that premiums will go down.

But he would not explain the rationale or the logic behind his statement that privatisation will lower premiums, because there is in fact no logic behind that statement. The logic is clear. The board of a publicly listed Medibank Private is required by law to maximise the profits and returns to its shareholders. That would be the role of a board member and that is what they have to do by law. Profits and returns to shareholders are the first motivation of a private company, and Medibank Private would be in that category.

Contrast that, though, with the current situation where the not-for-profit nature of Medibank Private means that any surpluses are returned to its members via lower premiums. It is only commonsense, therefore, that a privatised Medibank Private will have to return to shareholders the profit that is currently going to lowering premiums. It is commonsense that Australians understand and that is why they are concerned about the privatisation of this entity.

You do not have to just rely on the Labor Party to put out that sort of commonsense. The Australian Medical Association have also made a submission to the Australian Competition and Consumer Commission on the proposed sale of Medibank Private. They have raised serious concerns about higher premiums for Medibank Private customers and reduced competition in the private insurance sector. Dr Mukesh Haikerwal said that higher premiums would be inevitable as the new owners sought to maximise returns to shareholders. So the AMA get it; they know what is going to happen. The Labor Party get it; we know what is going to happen. It is now incumbent upon the government to come clean and explain the logic and the rationale behind the premise that allows the government to say that privatising Medibank Private will lead to reduced premiums. I would suggest that the way forward is to provide this Senate with a copy of the scoping study as requested in this chamber. Dr Haikerwal went on to say:

There is also a chance of flow-on higher premiums across the whole private health sector because of reduced competition. But the extent of the rises would depend on whether the new owner is a new or an existing player in the sector.

This goes back to the question: how are the government proposing to sell it? Have they worked that out? What impact will that have on other private health insurers? Does the scoping study actually go to the question? I would like to know the answer to that. I think that the three million people who are members of Medibank Private have a right to know what the impact will be on their private health insurance provider, and all other private health insurance members have a right to know what is going to happen in terms of competition in the private health insurance sector if Medibank Private is sold. There will be some commercial-in-confidence elements in that scoping study—I recognise that—but surely it is incumbent upon the government to provide the Senate and the community of Australia with the principles that underpin their belief that premiums will go down.

There is also a question of legality. You would be aware, Mr Acting Deputy Presi-
dent, that the Parliamentary Library has produced a research brief which has raised a number of serious issues about the proposed sale of Medibank Private. Two of their conclusions are important for the community to understand. The research brief says:

- while the government clearly ‘owns’ Medibank Private Limited (the managing organisation of the Medibank Private fund) the fund itself is best characterised as a government controlled not-for-profit entity (not strictly owned by either the Commonwealth or the fund members)

Another conclusion of the paper, which I think is important for us to understand, is:

- members of the fund nevertheless have certain rights to the benefit of the fund and associated assets and these rights need to be considered in any scheme for the sale of Medibank Private

The government has been quick to commission some legal advice, and Senator Minchin with a great flourish on Monday happily tabled that advice in the Senate. That advice disputes the position of the Parliamentary Library. This chamber—those of us here—is not in a position to make a judgement over which advice is correct.

Senator Barnett—Yes, you are. It is a public document.

Senator McLUCAS—Who is correct though, Senator? Are you going to arbitrate on that? Are you now a judge? There is only one place where this is going to be resolved, I believe, and that is going to be in the courts. That is the sort of environment we are in. There is confusion about the legality of whether or not we can sell the entity and yet this government is progressing and pushing on with this ideologically driven desire to divest itself of Medibank Private Ltd.

I have to make the very obvious comment also that it was okay for Senator Minchin to table a piece of legal advice on Monday that supports his position. He was very happy to do that. Senator Ray, who sits behind me—and I take great heed of what Senator Ray mentions in the chamber—asked what sort of precedent we are undertaking here. I think that is an important question that this chamber now has before it. We have a precedent of providing certain pieces of legal advice. Senator Minchin was happy to table the legal advice that supports his position, but he is not happy to table the scoping study. What conclusion can we draw? Of course, he will table something that supports his point of view, but you have to ask why he will not table other things. If he cannot table all of the scoping study, why can’t he table the principles that underpinned the work that was undertaken in the scoping study?

The third part of the motion that we are dealing with today goes to the point that private health insurance premiums have in fact risen some 40 per cent since 2001. Most of us here will remember the debate in 2001, when the government said—and actually promised—that the introduction of the 30 per cent rebate on private health insurance would put ‘downward pressure on private health insurance premiums’. In the last five years we have seen a 40 per cent rise in private health insurance premiums. I am sure that people on the other side will stand up and say that that is because of advances in technology, increased demand and an ageing population; there will be a whole range of reasons why private health insurance premiums have risen by 40 per cent. But I am afraid that promise has not been met by this government.

We have a situation now where the Minister for Health and Ageing approves every application from the private health insurance sector for increases in their premiums. When Senator Patterson was minister we did have an opportunity and there was a measure through which a minister could refuse appli-
cations for increases in private health insurance rebates. In fact, to her credit, she did so. But not once has this minister not approved applications for premium rises.

We also have to think about what impact this will have on families. We know that there will be increases in private health insurance rebates. This is at the same time that we are going to have increases in interest rates. We also have increases, of course, in petrol prices. Now we have the triple whammy—interest rates, petrol prices and now the private health insurance rebate.

The final element of this motion that we are debating today calls on the federal government to abandon its plans to sell off Medibank Private. The motivation of the Liberal Party and the National Party in selling Medibank Private is ideology. I am not opposed to ideology. Ideology is the thing that brings us all to this place. It directs the things we believe in. But ideology and ideologically driven decisions always have to be tempered by commonsense. I am afraid that this government is banking on its ideology and not taking the opportunity to step back and ask these questions: what will this do to three million Medibank Private members; what will this do to all of the members of other private health insurance schemes in Australia; what will it do to the economy of this nation; and what will it do to premiums?

I have no evidence that changes my mind on this. I look forward to government members explaining to us how a privatised Medibank Private with an obligation to return dividends to its shareholders can actually put downward pressure on health insurance premiums. There is no logic in that. I invite members of the government to explain that to the people of Australia, because they are very concerned about what privatisation of Medibank Private will mean for our community.

Senator BARNETT (Tasmania) (4.41 pm)—I stand to oppose the motion moved by Senator McLucas and the Labor Party in this place. I do it because I believe a number of things. I believe that the Labor Party are stuck in the past. They are on the opposition benches for that exact reason. They want everything to stay the same. This is notwithstanding that every one of the state and territory governments around the country, not this year and not last year but a decade or more ago, sold their state insurance organisations. They were owned by the state governments and their insurance offices have been sold. That includes the GIO in New South Wales, the SIO in Victoria, Suncorp in Queensland, the SGIC in South Australia, the SGIO in Western Australia and the TGIO in Tasmania. I will touch on that again shortly. Not only that—this is a Labor Party that, with decision making in its grasp when they were in government, sold Qantas and the Commonwealth Bank. I will indeed also touch on that again shortly.

I want to go back and look at some of the reasons that this government is united in support of the sale of Medibank Private. We believe it is in the interests of the public. Also, we believe it is in the interests of the taxpayers and, indeed, the members of Medibank Private. I will explain why. In my view, it makes no sense for the Australian government to own Australia’s largest private health insurance fund. I will put it as simply as possible. Why would the government want to own a billion-dollar-plus business enterprise with a $2.8 billion annual turnover that provides no universal service obligation to taxpayers? It trades in the black and has never returned a dividend. Occasionally, it requires a taxpayer contribution to bolster its capital backing. This is something that Senator McLucas failed to mention in her address to this Senate.
The government has no business being a player in the private health insurance market while also being a regulator of private health funds and their premiums. This ensures either a perceived or real conflict of interest and, for this reason alone, I find Labor’s opposition to the policy puzzling. I believe that the party opposite has adopted a policy of seeking relevance by blanket opposition to any significant proposal that this government puts up.

As I have indicated, Labor has talked about the increase in premiums. No, premiums will not go up as a result of a sale. Tony Abbott in this parliament referred to Labor’s sale of Qantas and said that it did not push up airfares. Labor’s sale of the Commonwealth Bank—what happened to that; what happened to interest rates? They did not go up as a result of the sale of the Commonwealth Bank.

There has been much comment on how a sale would reduce competition, but a sale of Medibank Private could strengthen the market and boost competition. In my view, for Labor to oppose the sale is them on pure ideological autopilot and opposing for opposing’s sake. Since 1998, both major parties have sold or share-floated—and I have looked at the research—over $50 billion worth of public assets. That is not only our side; it is the Labor Party as well. The Labor Party were responsible for the sale of the Commonwealth Bank, Australian Airlines and part of Qantas.

In my view, businesses run business better than government runs business. Why do I say that? Because I have a business background. I understand the workings of small business to some degree, being a former Tasmanian government small business award winner in Tasmania. But the opposition side is full of representatives from the union movement. Where is the business background on the other side? Why does business operate business better than government?

Senator Forshaw interjecting—

Senator BARNETT—There are some very fundamental understandings as to why that is the case.

The ACTING DEPUTY PRESIDENT (Senator Murray)—Order! Please address your remarks through the chair, Senator Barnett.

Senator BARNETT—I was making a comment with respect to why business runs business better than government runs business. State governments, as I said, not only in the last few years but in the last 20 years—this is how Labor is stuck in the past—have sold off their government business enterprises not just in terms of insurance but across the board and, specifically, all of their own insurance companies. I have mentioned which ones they were and I can advise the Senate: the New South Wales GIO was sold in 1992 by the Greiner government; the SIO in Victoria was sold in 1992 by the Kirner Labor government; Suncorp Queensland was sold in 1997 by the Borbidge government; the SGIC in South Australia was sold in 1996 under the Brown and Olsen government; in 1993 the SGIO Western Australia was floated by the Lawrence government; and the TGIO, in 1995 by the Groom government. So the facts are on the record.

What reason is there for Medibank Private to remain in public ownership? How is it that such a large government funded asset is able to draw on taxpayers’ funds to bolster its own dominant position while being of no benefit to a large number of taxpayers, who I might add either have no private health insurance or have membership with other private insurers? What about those Australians? Are they being discriminated against? Is it fair to them? In my view, it is a distortion of the market, and the market cannot be and
should not be tolerated to that degree. It is entirely unfair on other health funds and their members.

Senator McLucas—Why?

Senator Barnett—In 1976—because it is discriminatory, Senator McLucas. The government, representing the taxpayer, owns a very substantial asset that has three million members and is nearly a third of the private health insurance market. Through you, Mr Acting Deputy President, to Senator McLucas, that is the reason why.

The ACTING DEPUTY PRESIDENT—Senator Barnett, ignore the interjections.

Senator Barnett—Medibank Private was established in 1976 and was made an autonomous government business enterprise in 1998. Medibank Private made an operating profit of $130.8 million in 2004-05, a massive 192 per cent turnaround on the profit level in 2002 and, I understand, for 2005-06, a profit approaching $200 million. There has been a turnaround in that regard, and I will make some comments about Medibank Private management shortly and will be commending them for their efforts in that regard. In 2003-04, the company made a profit of $44.8 million, but that was following a special taxpayer injection of $85 million. So Senator McLucas may ask: why is it unfair on the other health insurers’ members? That is why: you were using taxpayers’ money to prop up a government funded Medibank Private at the time. That is unfair and it was in the form of 85 $1 million shares.

The fund operates on a not-for-profit basis and has a membership base covering, as Senator McLucas indicated, around three million Australians or just under one-third of Australians who have private health insurance cover. In summary, the government ownership of Medibank Private is one humongous distortion of the market. It is unfair and discriminatory to many Australians and the sooner it is sold in an appropriate fashion the better. I will comment on the method of sale shortly.

Amazingly, this dominant player in the private health insurance industry has not returned one cracker, not one dividend, to the government. There has been no mention by the opposition during this debate to date that it has not returned one cracker. The government, through representing the taxpayers of Australia, owns this very substantial asset with not one return—not one dividend. How fair is that? The fact that from time to time taxpayers are asked to contribute funds to Medibank Private creates an unfair playing field.

Senator Lundy interjecting—

Senator Barnett—It is quite clear it is an unfair playing field, Senator Lundy. It is unfair to the other private health insurers that this fund is given this special injection of money. Indeed, it is the country’s biggest private health insurer.

Senator Lundy interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Lundy! Senator Barnett is entitled to be heard in silence.

Senator Barnett—In my view, selling Medibank Private will strengthen the private health insurance market, not weaken it as the opposition has asserted. A privately owned entity could reduce management and administration expenses and also expand into new areas of doing business. Why do you want to constrain them under the current arrangements? Is that appropriate? Is that fair? It gets back to my point that business knows how to run business; and it does it better than government, I can assure you of that.

Senator Lundy—You know that for a fact, do you?
Senator Barnett—Yes, indeed. I will use an example—

Senator Lundy—Tell us why the Public Service was created.

Senator Barnett—Listen to this, Senator Lundy—you might learn something. The privately owned BUPA has a management expense ratio of 7.7 per cent compared to 9.3 per cent for Medibank Private and 10 per cent for the mutualised MBF. So, a privately owned entity has a management expense ratio of 7.7 per cent—

Opposition senators interjecting—

The Acting Deputy President—Order, Senator Forshaw! You will have your opportunity to speak later.

Senator Barnett—and it is operated on a for-profit basis. In my view, the Australian government’s ownership of Medibank Private has no positive influence or bearing on private health insurance premiums or the increasing take-up of private health insurance. Medibank Private provides no universal service obligation, as I indicated earlier. That is another point that has been omitted from the opposition’s assertions. All health funds are strictly regulated—the opposition know that; they know the process—no matter who owns them. The government’s 30 per cent private health insurance rebate benefits more than 10 million Australians, or well over 40 per cent of the Australian population. That includes both hospital and ancillary cover. Medibank Private members receive this rebate, and the additional rebate of up to 35 per cent for those aged 65 or 40 per cent for those aged 70 and over, notwithstanding the Labor Party’s opposition to government policy in this area. In theory, government policy could be designed to provide particular benefits for Medibank Private members. That possibility can, of course, be avoided altogether by its sale.

According to its annual report, Medibank Private’s profit has improved by more than $306 million over the past three years. And, as I have indicated, it is improving still. While it says that 88.4 per cent of contributions by members are returned as benefits paid, the insurer matches that return on membership equity against what it says is an industry average of 87.2 per cent. However, as a government owned and funded asset with no requirement to pay a dividend, it is no wonder that Medibank Private holds a dominant position in the market. It should be sold in order to free up the marketplace and not constrain and hinder it, as Labor would like. Medibank Private is one of 38 private health insurance funds, and consumers have many choices about whom they insure with. The government—and this is an important point—is retaining the ministerial premium approval process so that any unjustifiable increase can be rejected. Senator McLucas and the Labor Party make much of that fact.

I want to refer to someone who actually runs a health fund. The CEO of NIB health insurance, Mark Fitzgibbon, has said, ‘The pressure on premiums will be reduced if Medibank goes private.’

Opposition senators interjecting—

Senator Barnett—That is what he said. He went on to say, ‘We expect much more aggressive competition from a privately owned Medibank.’

Senator Forshaw—The same people said the Titanic wouldn’t sink!

Senator Barnett—Senator Forshaw will be interested to know who Mr Fitzgibbon is. He is, coincidentally, the brother of Joel Fitzgibbon, the Labor member for Hunter. Mr Mark Fitzgibbon is right: competition is the thing. This is where Labor misses the point. The government does not need to own one of 38 health insurance companies in this country.

CHAMBER
Senator Webber—But wait, there’s more!

Senator Barnett—Do not worry—there is plenty more. In terms of ministerial discretion, I want to note that there are criteria against which applications for increases will be considered. The Labor Party knows the process and has indicated an increase of 40 per cent. My advice in terms of the increase is that it is closer to 35 per cent over the five years. That increase, of course, reflects the cost of health care and the cost of an increase in that health care over that period of time.

In terms of the first point that Senator McLucas put forward in her motion—that the government is divided over the sale of Medibank Private—I have made it quite clear that that is not true. It is not the case. There is unanimity in that regard. There is total support. In terms of the method of the sale of Medibank Private, yes, there has been some discussion about whether it would be via the stock market, via a trade sale or via other means. I have expressed the view that, if at all possible, a float would be preferred, where you could leave the entity together and it could remain as one. If the process does proceed along those lines, I hope that there will be some arrangements, some special entitlement, for the members of Medibank Private to encourage them to be part owners of that entity via the share sale.

In terms of the funds, I want to make it clear that the government has made an announcement already with respect to the money that is currently an asset in Medibank Private. When Medibank Private is sold, many of the funds will be used for medical research. I want to congratulate the Minister for Health and Ageing, Tony Abbott, and the Prime Minister on making that decision. In terms of medical research, it is very important, and I appreciate that fact. I understand, according to the budget papers, that $500 million will go to the National Health and Medical Research Council and a further $170 million will go to other research arrangements. In that regard, I acknowledge the $30-odd million plus that has already been announced with respect to type 1 diabetes research in this country. Medical research is very important. I appreciate the leadership of Mr Howard and Mr Abbott, particularly in this area.

Senator Lundy—But you can’t have it unless you sell Medibank Private?

Senator Barnett—If you want to hold onto it, you do not have those funds. Through you, Mr Acting Deputy President, to Senator Lundy: you do not have that opportunity; you are effectively opposing and blocking opportunities for more funding for medical research, and I do not support that.

I want to put on the record my strong support for George Savvides, the CEO of Medibank Private, and his team—his executive team and his management team—for the work they have done over the last few years in getting Medibank Private into a very financially capable position and indeed improving its profitability and making it a very sound company—such that the government can make this decision for and on behalf of the taxpayers. George Savvides has helped turn the company around. He has done an excellent job in doing that. He has put Medibank Private in a position where there is now significant interest from potential buyers, as has been noted in the media in the last weeks and months.

My views with respect to Medibank Private have been noted already in feature articles in the Hobart Mercury on 4 August last year and in the Financial Review on 6 September last year and in a speech in the Senate in May this year. I believe that choice is underpinning the government’s policy. It is
something that Labor opposes. Labor has an equivocal position on choice—some people would say opposition to it—particularly with respect to the 30 per cent health insurance rebate. I hope that is something that the opposition clarifies before the next election. (Time expired)

Senator ALLISON (Victoria—Leader of the Australian Democrats) (5.02 pm)—I rise to speak on the opposition’s motion, which calls on the government to abandon its proposals to sell Medibank Private. The Democrats do not have an ideological opposition to privatisation; we judge each case on its merits and according to the public interest. We also hold the view that pushing people into private health insurance, as this government has done since it came to office, is not in the long-term interests of the health system in this country.

We are not here arguing in great defence of Medibank Private or suggesting that it should have greater coverage—or, for that matter, that the rest of the sector should have greater coverage. In fact, if we ever needed reminding about the problems with private health care in this country, the Community Affairs Committee gynaecological cancer inquiry that is currently underway indicates that: woman after woman told us that in the private sector they received very inadequate care compared with the public sector, for which they had only praise. One of the main problems is that in the private sector there is not the expertise or the multidisciplinary approach, so women may find themselves having surgery conducted by someone with no special expertise in gynaecological oncology.

We get evidence in this place all the time about the very high cost of private health care, and frequently—twice a year—we are reminded about the high costs when premium rises are again agreed to by government. However, today I want to argue that the government has not substantiated its proposal. I foreshadow that I will move an amendment to this motion stating:

At the end of paragraph (b), add:

“unless the Government is prepared to produce a white paper that substantiates and supports its proposal, to engage in a genuine period of public consultation, and to be able to confirm it has widespread public support for its sale”.

On the face of it, it appears that the government cannot do that. Medibank Private holds a unique place in the private health insurance landscape. It is our largest private health insurance fund, with around one-third of the market and around three million members. As such, it is a leader in the sector and influential in the way the sector as a whole operates.

Although the government is yet to make explicit what form the sale may take, one thing is certain: it intends to sell Medibank Private off regardless of the consequences for current members, regardless of the consequences for future members and regardless of the consequences for members of all other health insurance funds. It is not just current members who have an interest in the sale of Medibank Private. If the sale proceeds, it will fundamentally change the private health insurance industry. We say that that will have far-reaching and long-term consequences for the 43 per cent of Australians who have private health insurance and for anyone who may wish to take it out in future.

There are many unknowns about the sale of Medibank Private and many unknowns about its future, but what we do know is that the sale of Medibank Private will lead to changes for both members of the fund and the broader private health insurance sector. Roughly 85 per cent of Australia’s health insurance funds are run as not-for-profit organisations. These organisations act only in the interests of their members, but if the
Howard government privatises Medibank Private, turning it into a profit company, the balance of the industry will change from a predominantly not-for-profit sector to a sector which is pretty much equally split, as far as we can see, between companies for profit and those that are not for profit.

Who knows whether that fifty-fifty arrangement will be maintained? We can expect mergers and takeovers in some states, and that might happen quite quickly. We may have a private health insurance industry that is the complete opposite of what we have now. As I said, the situation now is that 85 per cent of membership is with non-profit organisations.

For-profit organisations obviously have, as part of their motive, paying returns to investors and maximising share price. The new owner of Medibank Private would presumably need to get a return on its $3 billion-or-so investment in Medibank Private. As far as I can see, that will mean a number of options. The new owners could come in and strip the assets—and those assets are very substantial, including a very big share portfolio which assists Medibank Private to pay for the costs of private health insurance. They could come in and sack most of the workers and scale back the operation. No doubt the government would approve of that; that would be seen as some kind of efficiency. So we could have job losses. I am not sure what the impact of that would be on the organisation but it is hardly likely that it would thrive under that arrangement. There is no evidence, as I said earlier, that Medibank Private is a top-heavy organisation, has too many bureaucrats or is administratively inefficient. The other option is that, to pay back that investment of $3 billion, the fees could rise.

Those seem to be the only three possible outcomes of this sale. It is hard to see how going from a situation in which all returns have to be directed towards the benefits of the members to a situation where as well as members there is now a third party which has to be looked after—the shareholders—is going to be of benefit to members.

No doubt this government will try and sell this to the members of Medibank Private and urge them to buy shares in something they already effectively own. Again, it is hard to see who would be the winners out of that. Perhaps they will be encouraged to buy the shares at an inflated price and then we will have the very difficult situation—just like the situation of Telstra—where the government is reluctant to deny Medibank Private a premium increase because suddenly there are a lot of shareholders who also vote. So if the government thinks it has a conflict of interest now in owning Medibank Private—if ‘ownership’ is the right word to use in this case—then it most certainly would have a conflict of interest post sale.

Shareholders will want to see a return on their investment and that money will have to come from somewhere. It could well come from increases in premiums, reduction in benefits and the like, as I said earlier. But for all its talk the government cannot guarantee anyone in this place, or beyond it, that this will not happen. It is not only those people who might face higher Medibank Private premiums who will be affected. As I mentioned, changing Medibank Private’s status to for-profit changes the nature of the sector as a whole. A predominantly not-for-profit sector is very different from one where profits are earned, at least in this instance, by half the organisations in the sector.

So I am not talking here about a single for-profit organisation versus a single not-for-profit organisation but about how the sector operates. It is difficult to know if individual for-profit organisations provide a lesser service than individual not-for-profit
organisations. That is because we only have four for-profit funds in the whole of Australia, and they are quite small funds compared with Medibank Private. They are also operating in a larger not-for-profit environment. The government—Senator Barnett did it this afternoon—has used BUPA as the example of a for-profit organisation and has argued that it is as efficient as Medibank Private, or more so. It is true that in 2005 BUPA had lower management costs and premiums than Medibank Private and the industry average. However, what the government did not point out is that it also has less success in retaining members, has received a higher proportion of total complaints compared to market share and, perhaps most importantly, has returned lower benefits to members as a percentage of contributions.

So, is the government now telling us that these things do not matter? We do not know what would happen if BUPA were operating in a predominantly for-profit environment, where profits are the driving force, and was not necessarily operating for the best interest of members. Medibank Private has argued for the maintenance of a not-for-profit sector. Medibank Private’s 1996 submission to the Productivity Commission’s inquiry into private health insurance states that the interests of members are best served when funds ‘viewed their members as “shareholders” for whom the delivery of lower prices is a dividend’.

Medibank Private also argued in its submission that, assuming insurers are supposed to act in the best interests of members, they would be ‘acting irresponsibly if they were to have as their motive the payment of a return to investors’. Medibank Private also argued—as is clear to everyone but the government, apparently—that increasing the number of for-profit health funds potentially adds an additional layer of costs to the financing of health care. The layer that they are talking about is the shareholder. Medibank Private stated that this additional layer ‘will unnecessarily escalate the premium price for private health insurance’.

We are all well aware of the debate around the most cost-effective method for delivering health care. There is a very strong argument that publicly funded and administered systems are the most efficient and equitable way to deliver health care to the population. The Democrats are strongly supportive of a publicly funded healthcare system that is available to all on the basis of need, not the ability to pay.

Administering complex private health insurance is a costly business, and in the US it adds 10 to 15 per cent to the cost of health care. As Australia’s health system moves backwards towards the US, with a greater dependence on private health insurance, the costs of administering healthcare financing will rise. It is possible that the privatisation of Medibank Private is another step along this path. It is another step in increasing the costs of health care overall.

The government repeatedly says that this is all about competition—that competition will keep down costs and put downward pressure on premiums. The Minister for Health and Ageing just yesterday in question time said:

The best guarantee of low premiums is competition, not government ownership. That is the best guarantee of low premiums.

Putting aside the issue of the inherent limits on competition that must be maintained in the area of health care, it is not clear that the sale of Medibank Private will necessarily increase competition in any case. Simply repeating it over and over, ad nauseam, does not make it so.

It has been pointed out that Standard and Poor’s has recently argued that any sale of Medibank Private is likely to ‘materially af-
fect the competitive dynamics of the industry. It would seem that Standard and Poor’s see the possibility that the sale of Medibank Private may lead to rationalisation and greater concentration within the industry as the major force for change. The industry is already very concentrated. It is already dominated by a few large funds which, when measured by premium income, share around 80 per cent of the national market. About 80 per cent of the market in each state is also controlled by the four biggest insurers in each state.

So, if the sale of Medibank Private leads to consolidation amongst these top funds, either through one of them gobbling up Medibank Private or through them merging with one another as a result, that will most certainly reduce competition, not increase it. In fact, MBF have actually indicated that, if they cannot participate in a break-up of Medibank Private, they may have to look at changes to their own structure and for consolidation opportunities. While there may be some argument that amalgamation of some of the smaller funds could be beneficial, if the other top funds are merging with one another it is very hard, I have to say, to see how that is going to be a good thing. The ACCC is on the record as having expressed concerns about merger possibilities between any of the top health funds.

We have to remember that it may be good for competition in one state but very bad for competition in another. The private health insurance market in Australia is for the most part state based and there are state by state differences in the age of the insured population, the number of funds operating, the services provided by funds and the percentage of the insured using public versus private hospitals. More consolidation could lead to further domination by a single fund in some states. Unfortunately, we have heard very little from the government about this issue.

In all the talk of how selling off Medibank Private will increase competition, the government has also conveniently ignored the fact that when Medibank Private first entered the market as a government owned organisation, back in 1976, it brought premiums down. The existing private funds at the time waited for Medibank Private to introduce its contribution rates, and in almost all cases they undercut the fund. So Medibank Private has played a role in competition as a publicly owned entity. It obviously does not have to be privately owned to play this role.

Medibank Private, as a publicly owned fund, has also been able to negotiate competitive price deals with the private hospitals, again showing the way for other funds. Payments to hospitals constitute more than 70 per cent of Medibank Private’s costs and Medibank Private has been increasingly aggressive in its buying power to negotiate with the hospitals. This is in part a factor of its size. Larger funds are much better able to take on private hospitals and medical specialists and to negotiate to reduce the costs they charge. These savings can then be passed on to the members, either through reduced premiums or more services—or at least they would be passed on to members in a not-for-profit private health insurance fund.

In a for-profit organisation, that might not necessarily be the case, especially if the fund is operating in a sector dominated by for-profit companies. In this situation, it might be that the savings that a big fund makes in its negotiations with hospitals and specialists will be passed on to the shareholders, not the members—or, if it is feeling a little generous, the savings might be split between shareholders and members. So it is not just the size of the fund that has to be taken into consideration; it is also the fund’s primary motivation for its very existence.
The government seems to have forgotten that health care is not like any other industry and private health insurance is not like any other insurance product. We expect healthcare providers to act in the interests of their patients, in the interests of the sick and the vulnerable, even when it may not be in their own self-interest. We do not expect, nor do we want, a system in which the people providing the care are motivated by what they can get out of it. Nor do we want a system where the insurers are motivated by the profits they can make, not the quality of the services that patients receive.

This means competition is a meaningless catchcry. There must be constraints on the free market in health care. Yes, there is an important role for competition—it can improve efficiency and it can make services more responsive—but it does need to have limits. Costs are not the only consideration. After all, we do not want to see hospitals competing on the grounds of costs while they ignore patient safety, and there are limits to the efficiency gains that can be made from competing funds.

The government has yet to make a convincing case for selling Medibank Private to improve competition, let alone that it will improve services or quality of care for members. Neither has the government outlined what it will do to tackle some of the other problems that beset private health insurance. One of these is the high level of regulation in the industry. Many commentators point out that a change of owners will not automatically create the opportunity for more innovation or more aggressive negotiating with healthcare providers. This will depend on the wider regulatory environment.

Yes, the government is talking about making changes industry wide, but we do not know what effect they may have on the industry. There certainly are some questions about whether they are of the right type to achieve the outcomes the government says it wants. But, rather than waiting to see what impact these regulations might have on containing costs and improving efficiency, the government is still pushing ahead with the flogging-off of Medibank Private, just to add something else to what is acknowledged as a volatile industry.

The government has not engaged in public debate on this issue. It did not campaign about selling Medibank Private at the last election. It has not released any documentation or reports that provide the public or the Senate with any convincing information that this would be useful to current members of Medibank Private, to the people who have private health insurance generally, to the sustainability or efficiency of the industry or to maintaining the best balance between private and public health care in a broader healthcare sector. It would seem that the government is just hell bent on getting its hands on the $1.5 billion to $2 billion that will come from the sale and it does not really care about any of those issues. That is, of course, to say nothing about whether it has the moral right to sell off an asset that has been built up by contributions from members. I move:

At the end of paragraph (b), add:

“unless the Government is prepared to produce a white paper that substantiates and supports its proposal, to engage in a genuine period of public consultation, and to be able to confirm it has widespread public support for its sale”.

Senator FORSHAW (New South Wales) (5.22 pm)—For the record, let me indicate at the outset that I am a member of Medibank Private and have been for many years—more than I can probably recall but it is certainly over 20 years. I am pretty familiar with Medibank Private; I am also very familiar with the history of its development since it was created by the Fraser government in
1976. I will come back to some of that history in a moment. However, I want to take a few moments to respond to some of the arguments and propositions put forward by Senator Barnett leading for the government in this debate and putting forward the reasons why he and the government he represents believe Medibank Private should be sold.

First of all, in a rather wide-ranging speech which essentially was nothing more than an attack upon the Labor Party, the Labor governments of the past and the Labor states, he raised all the arguments we have heard so often—that is, that the Labor Party, both at the federal and state levels, had privatised government assets in the past, so how could we have the temerity to oppose the sale of Medibank Private? As always, the coalition refer to the Commonwealth Bank and to Qantas, so I will respond again just to remind them that just because you sell one government owned asset or a group of assets does not mean you should sell them all. The test for privatisation is: does the asset serve a particular public purpose such that it should be retained in public ownership?

Today is not the time—because we do not have the time—to debate the whole issue of privatisation at large. But essential to that question is whether or not the business being sold, or the asset or the enterprise or whatever term you want to give it—and those distinctions can be relevant—provides a service to the community. Of course, what we recall about such enterprises as Qantas and the Commonwealth Bank, notwithstanding their iconic status and how they may have been created in the first place, was that, when they were sold by the previous Labor government, they were businesses competing in a market and acting just like every other player in the market. For instance, in the airline industry Qantas was competing internationally and, as we all know, whilst it was and still is Australia’s flagship carrier and a world leader in the aviation industry, at the end of the day probably no more than about five to 10 per cent of Australians ever saw the direct benefit of Qantas—that is, those who had the opportunity to fly. The sort of capital injection needed to maintain Qantas was clearly one that meant that it would be better off in private hands rather than calling on the taxpayers to spend billions upon billions of dollars to upgrade and maintain its fleet.

It was a similar situation with the Commonwealth Bank. At the time it was not even the largest bank in Australia and it had pretty much lost its role as a protector, if you like, of the interests of many Australians. Banks such as the National Australia Bank, Westpac and others were undercutting it and were providing services in many cases well beyond what the Commonwealth Bank was providing. But, of course, assets such as Medibank Private—and I will call it an asset for the moment—and Telstra are different. I will come back to that.

Senator Barnett also said, ‘The states have sold all these insurance companies, like the GIO and so on.’ The first imputation in his comment was that they had all been sold by Labor state governments. I noticed that my colleague Senator Moore listened intently as well and, when Senator Barnett ran through the list, it was clear that most of them had been sold by Liberal governments. He referred to Nick Greiner, Rob Borbidge and Ray Groom—all conservative premiers. He kicked a bit of an own goal there. Again, he was talking about insurance companies that are in the business of selling insurance for a whole range of products.

We come to Medibank Private then. It is a private health insurance company. It is the largest in the country, it is government owned and it has probably almost twice as
many members as any other fund. But it is different, and you just cannot put it in the same boat as companies like the GIO or Qantas. Why? It was clear in Senator Barnett’s contribution that he just does not understand what Medibank Private is all about. I listened intently to his remarks in that 20-minute speech, and I did not hear the words ‘health care’ mentioned once—not once. He talked about how he had been a business owner, that he was an expert in business and how businesses have to compete in a market. The whole speech was laced with references to business and to markets, as though we were talking about a transport company or a company selling bananas or whatever. He never once mentioned health care, and that really disappointed me because I would have thought that Senator Barnett, who I know has a genuine interest in and a commitment to improving health in this country, particularly with regard to obesity, would not ignore the fact that we are talking here about health insurance. That is why I want to return to some of the history.

Let me just remind Senator Barnett of a couple of comments. Firstly, in the Medibank Private annual report 2004 it stated:

Medibank Private is a not-for-profit Government Business Enterprise, with the sole purpose of providing high quality, excellent value private health insurance to our almost three million members. Medibank Private must earn sufficient returns to be financially sustainable, and build reserves to weather volatile, unforeseen circumstances that may adversely impact member claiming. No dividends are paid and all of Medibank Private’s financial resources are directed to member benefits.

It further stated:

As a not-for-profit organisation, every dollar of profit is retained within the fund for the benefit of members.

That is what Medibank Private is all about: high-quality, excellent value private health insurance for its members. Yet Senator Barnett attacked the government ownership of Medibank Private by saying it had never paid a dividend to the government. He said ‘it had never paid a cracker’—as if somehow Medibank Private had to operate with a huge profit so that it could pay a dividend back to the government. We know how keen the government are about the rights of shareholders and paying dividends—they are very enthusiastic about it, but their performance is pretty lousy. You only have to look at what has happened with Telstra to see that. Senator Barnett just does not get it.

The other thing I want to remind Senator Barnett of is that, when Medibank Private was separated off from the Health Insurance Commission by this government in 1997, Mr Abbott said in his second reading speech:

This bill provides for the separation of Medibank Private from the Health Insurance Commission, HIC, and the creation of a new Medibank Private corporation. Through the separation, the government will ensure that Medibank Private cannot be perceived to have any competitive advantage over other private health funds through its association with Medicare or other government program functions of the HIC. It reinforces the government’s commitment to the principle of competitive neutrality.

What happened, as those of us who recall know—I know Senator Moore recalls very well, because as a member of the Senate Community Affairs Legislation Committee she has taken a strong interest in this and been involved in many estimates hearings—was that when Medibank Private was separated off from the HIC it lost its right to operate co-located with Medicare offices. That was seen to be a competitive advantage and an unfair one. But Mr Abbott made it very clear in his comments at that time that the government was ensuring competitive neutrality and there was no competitive advantage over other funds. Yet we have here to-
day Senator Barnett saying that Medibank Private has to be sold because it has this unfair competitive advantage. He said it is discriminatory because it is owned by the taxpayers and somehow that is discriminatory against other taxpayers. That is the question: who actually owns it? If the nominal shareholder of Medibank Private is the government, it is the members of Medibank Private who provide the funds for Medibank Private. They provide the income which goes to pay the rebates and goes to build reserves that are relied upon. There is no discrimination whatsoever against other funds. Tony Abbott, I have to say, was right about that point; Senator Barnett was wrong. He just contradicted his own Minister for Health and Ageing in the same speech as he was praising Tony Abbott, the minister, for what a great job he is doing. Frankly, Senator Barnett should go back, read some of the history and some of the reports and learn a little bit more about this area of health insurance.

I want to make some other comments in support of Senator McLusca’s excellent general business motion today. Medibank Private has a very interesting and intricate history. I do not have time to go through that, but I do recommend people have a look at the Parliamentary Library research brief on this issue of the proposed sale. Firstly, Medibank Private was created by the Fraser government. It was created, essentially, for a couple of reasons, one of which was that the Fraser government really wanted to destroy Medibank. Medibank, of course, had been set up by the Whitlam government as a universal health insurance scheme. Private health insurance still existed, but Medibank had been set up. When the Fraser government got in, they ideologically did not like it and those of us who are old enough can recall—I was a young bloke then—on visits to the doctors the one thing you always noticed in the surgeries was a sign on the wall to the effect that you cannot just rely upon Medibank—the practice probably did not bulk-bill: ‘We recommend you be in a private health insurance fund to make sure you are sufficiently covered.’

The AMA did not like Medibank—they hated it. In their view there should be no government run universal health coverage in this country. Fraser in 1976 had to put forward to the people that he would retain Medibank, but he really did not believe in it—just as John Howard eventually had to say that he would retain Medicare but essentially does not believe in it. So they created as a parallel, if you like, this company Medibank Private in the health insurance industry. The arguments that were put forward at the time were that Medibank Private would compete with existing health funds—particularly to provide private health insurance to those who chose to opt out of Medibank—and also that it would increase competition in the private health insurance sector and strengthen the government’s capacity to reform and regulate the industry. That is what happened; it is true. You have to ask: if that is what the Liberal government under Malcolm Fraser thought at the time, and that has been achieved, then why should this Liberal government now go back and turn it all on its head? As I said, the AMA at that time was very strongly opposed to universal health insurance, Medibank, and of course it took the same view when Medicare was created by the Hawke government when it was elected in 1983, which bought back public health insurance for medical costs and left hospital costs and other ancillaries to private health insurance.

I find it therefore very interesting that the AMA, despite the ideological position it has held for so long, now recognises what an important role Medibank Private plays. As its media release has indicated, and as the media has noted, the AMA has raised serious con-
cerns about higher premiums for Medibank Private customers and reduced competition in the private health insurance sector if Medibank Private is sold. To quote the AMA’s media release:

AMA President, Dr Mukesh Haikerwal, said today that higher premiums would be inevitable as the new owner sought to maximise returns to shareholders.

Of course, the AMA is looking at this from the proper perspective of what is in the interests of health care for the people of this nation and what is in the interests of health care for the members of Medibank Private particularly. It is certainly not in the interests of either of those two groups to sell Medibank Private. This government can make all these statements, and their minions and representatives can come out and say, ‘Premiums won’t rise,’ but we have heard it all before. They told us the surcharge would never change. Tony Abbott beat his chest and I do not know if he swore on a stack of Bibles but he certainly made it very clear that it would not be changed. Of course, it was changed.

**Senator O’Brien**—Rock solid, ironclad.

**Senator FORSHAW**—It was a rock solid, ironclad promise—thank you, Senator O’Brien. They told us there were weapons of mass destruction and so on. You just cannot believe this government on most issues.

Not only the AMA is opposed to this government’s proposed sale, even Mr Russell Schneider from the Australian Health Insurance Association, who represents the private health insurance funds other than Medibank Private, has raised concerns. He just does not accept this government’s view that the sale will be good for the private health insurance sector. He said:

Health funds need to be concerned for the well-being of their members, not their shareholders.

As I said, we had Senator Barnett leading the charge today. This is all about floating and selling a company and creating a whole new class of shareholders, just like with Telstra. I would suggest that it will not be the mums and dads and Nick Minchin’s mum who will be buying shares in Medibank Private; it will be purchased by big overseas health insurance companies. There is no doubt in the world that that is what is going to happen. They are circling; we know that. The third biggest health fund in this country is a foreign owned company, the second biggest is MBF and the biggest is Medibank Private. If Mr Russell Schneider—who we have had so many battles with across the table at estimates on issues to do with health care, rebates, subsidies, private versus public and so on—is concerned, then I am really concerned.

The other point I want to make is that Medibank Private, as I said at the start, was created in the context of providing a public universal health insurance system for medical coverage, which was Medibank and then became Medicare, complemented with private health insurance. That is the context in which you have to see this. It is inextricably linked to Medicare and it is inextricably linked to the government’s ability to maintain premiums in health insurance at a reasonable level. They have failed to do that, but at least they are lower than what they might have otherwise been. The government talks about having no business being in private health insurance. Their argument is that governments should not be in private health insurance. If that is the case, if they have no business being involved in it, why are they paying a 30 per cent rebate to every single private health insurance company in this country? This is just a bad decision. *(Time expired)*

**Senator ADAMS** (Western Australia) *(5.42 pm)*—The sale of Medibank Private is common sense. Governments, as you have heard, are not good at running businesses; it
is best left to businesspeople to run businesses. The Howard government has been publicly discussing the sale of Medibank Private for four years. In 2002 we first announced the scoping study and possible sale. In June 2003 we announced that we would not proceed with the sale at that time but never ruled it out for the future. In August 2005 we announced that we would be refreshing our scoping study, which led to the decision to sell. In April 2006 the government announced that it would proceed with the sale of Medibank Private.

Unlike Senator McLucas and her party, we believe in private health insurance and we believe in the private health insurance rebate. This motion is the usual story of Labor attacking the government’s policy simply because it has no alternative policy. All Labor has is a negative scare campaign which implies that the sale will force up premiums. This is simply untrue. Just as selling Qantas has not increased airfares and selling the Commonwealth Bank has not increased interest rates, selling Medibank Private will not increase health insurance premiums.

The second part of this motion is about whether the government is divided. I think not. The government have been completely up-front with the Australian people about our intentions and will proceed with the sale. The government is not divided on this issue—not at all. We are united in our desire to see the private health insurance industry becomes stronger, more effective and competitive. The industry generally will benefit from the largest health fund being privately owned and competing on a level playing field.

Competition for members between funds is the best way to limit premium increases. A study by Carnegie Wylie & Co. concluded that a privately owned fund would be able to be more efficient through lower management expenses and through scope for expansion into new business areas. These greater efficiencies mean that a privately owned fund does not put upward pressure on premiums. There are already five for-profit private health insurance funds and there is no evidence that these for-profit insurers charge higher premiums than other health funds. Selling Medibank Private will make private health insurance more competitive and keep a lid on premium increases. A good example of how the private sector can keep the lid on premium increases is, as we have heard before, a company called BUPA. It operates the privately owned, for-profit funds Mutual Community in South Australia and HBA in Victoria. While average premiums across the industry have increased by 35 per cent over the past five years, BUPA’s premiums have only increased by 25 per cent. So the premiums of this for-profit health insurer are actually getting lower relative to the mutual and government owned funds.

Senator McLucas states that the government is divided on the sale. As far as I am aware the only discussion going on at the moment is whether we will sell Medibank Private by public share offer or by trade sale. Senator Minchin has stated his personal preference for a share market float. This would give all Australians a chance to own a part of the company—with consideration given to giving an additional entitlement to the existing members. A public share offer would keep Medibank Private a strong and independent player in the private health insurance industry, while subjecting it to all the commercial disciplines of the stock market. The final decision on the form of sale will follow advice from the sale advisers. This government wants to give Australians the choice to have the option of private health cover. Selling Medibank Private will make private health insurance more competitive by bringing full commercial discipline to its process. Currently there are 38 health funds.
If people are not happy with Medibank Private, they have the option of choice. If Medibank Private or any health fund increases its premiums, their members will leave. Labor do not give the Australian public much credit, do they? Private health insurance customers have full portability. If they are unhappy with the premiums they are paying, they can leave one fund and go to another. If they do this, there is no loss of benefits and no waiting periods.

The commercial advice has been that Medibank Private can be more efficient in private ownership. A fully commercial, privately owned Medibank can be more efficient in private ownership, through lower management expenses and through scope for expansion into new business areas. A privately owned Medibank Private could expand into other areas, such as other forms of insurance, other medical products or other financial products—and through this greater scope be a more efficient operation. It is through more efficient operation that a health fund can further restrain premium growth. The sale of Medibank will not affect the rights that contributors have under the terms of their existing individual health insurance policies. Recognising the continued loyalty of Medibank Private’s customers and staff, the government’s sale objectives commit to considering the interests of staff and members during the sale of the company. Industry regulation, specifically the principle of community rating, prevents adverse risk pricing for the sick and elderly. The intent of community rating is to facilitate affordable access to private health care for all Australians. It means that everyone pays the same premium for their health insurance regardless of health status or claims history. The sale of Medibank Private does not affect the government’s commitment to community rating. Legislation and regulations, including prudential requirements, which apply to all entities in the private health insurance industry protect consumer interests.

Health insurance premiums will continue to rise as the cost of medical technology and the cost of professional medical staff continue to rise. Premiums will not rise any more as a result of this sale. On Saturday, 3 June the Australian newspaper reported comments by the former Australian Health Insurance Association Chief Executive Russell Schneider—and we have heard comments from him quoted by those opposite—in an article entitled ‘Medibank sale won’t boost fees: industry’ that the government’s proposed reforms could lower prices. Mr Schneider said that a continued not-for-profit presence would also keep prices low. I quote:

“There’s a strong not-for-profit component in the health insurance system. That will act as a competitive pressure to ensure costs stay low,” he said.

In order to further protect consumers from inappropriate premium increases, the government is retaining the ministerial premium approval process with clear criteria against which applications for increases will be considered. If any health fund were to apply for premium increases that are clearly excessive, they would be rejected. The sale will also have the benefit of giving us the resources to put more money into health research. We announced in this year’s budget that the sale was allowing us to put an additional $500 million into medical research grants, through the NHMRC, and $170 million into the establishment of a research fellowship scheme. I applaud the government on this. Rather than have taxpayers’ funds tied up in a health insurance business, it makes more sense to use those funds for medical research.

In an article titled ‘Health insurers need competition’, Francis Sullivan, the Chief Executive of Catholic Health Australia, agrees, stating:
... taxpayers over the years have contributed to Medibank Private’s success.

The fact that it can be liquidated for a substantial amount provides the government with an opportunity to address some serious issues of social disadvantage, most glaringly in indigenous and mental health services.

I certainly hope some of this money will go towards research in these areas.

I have seen the Parliamentary Library report that Labor is hanging its hat and its debate on. I join my parliamentary colleagues in labelling this report inaccurate and, I feel, somewhat misleading. The report’s fundamental conclusion is that the government is not free to sell the underlying fund of Medibank Private. This statement is not correct. The government’s longstanding legal view is that the government owns Medibank Private in full, both legally and beneficially. The fact is that the government established this fund 30 years ago, the government put in working capital and the government has taken the risk of owning this firm.

This view has been reaffirmed by the legal advice from Tom Bathurst QC, which was tabled recently. Mr Bathurst confirms that the Commonwealth does own the shares in Medibank Private Ltd and is free to sell those shares. Medibank Private Ltd is not a mutual fund. Mr Bathurst goes on to state that Medibank contributors do not own the funds in Medibank and that, as a result, contributors have no basis on which to seek compensation in the event of a sale. When people buy car insurance from IAG, AAMI or GIO, they are not buying a share in the company; they are buying insurance. If people go to a private hospital, they are not buying a share in a private hospital. The Labor Party are wrong in claiming that we cannot sell Medibank Private and they are wrong to oppose the sale generally.

The government will not abandon our plans to sell off Medibank Private as it is part of our plan for a strong, effective and competitive private health insurance industry. In the same Australian Financial Review article, Francis Sullivan added:

Medibank Private should be sold. It no longer justifies government ownership. Over the past decade Medibank Private has aggressively secured 30 per cent of the health insurance market. It has built a reputation for rigorous and at times ruthless negotiations. Its behaviour is unashamedly commercial. Its agenda is solely to prevail in the price-competitive world of private health care.

This is not the core purpose for governments. In other words, Medibank Private has outgrown its government’s parentage.

In conclusion I would like to mention a few of the other reforms announced by this government to improve the private health insurance sector.

On 26 April 2006, the government announced a package of measures designed to improve competition in the industry, provide value to consumers and ensure the sustainability of the private health sector. The total value of the package is approximately $60 million over four years. These changes will allow funds to offer broader health cover products so that they can provide access to a wider range of private healthcare services. For the first time, health funds will be able to provide cover for preventive health care. These products will be supported by changes to risk equalisation and the inclusion of outreach ‘hospital in the home’ services. Coming from a rural area, I certainly support this initiative.

These changes are designed to increase the value of private health insurance for consumers and to enable health funds to better manage rising health costs by allowing them to contract with the most safe and cost-effective provider of healthcare services. Being able to compare products of health funds is important. Requiring health funds to provide standard information about their
products is a prerequisite for easier comparison of products. The establishment of an industry website by the Private Health Insurance Ombudsman will meet the need for access to unbiased information about health funds and their products. The website to be managed by the ombudsman will be a tool people can use when comparing products and health funds.

Lifetime Health Cover has been an important initiative. To reward those long-term health fund members with a Lifetime Health Cover loading, the loading will be removed once the member has had private health insurance for 10 years and continues to have private health insurance. To assist consumers to better understand the benefits of private health insurance and the changes to be introduced, a general communication campaign will be undertaken in 2007. The benefits and government incentives for private health insurance will be promoted to people who may be about to incur a Lifetime Health Cover loading. Medicare Australia will be writing to notify them of their deadline. In line with these changes, the medical profession as a whole will be obliged to disclose the costs associated with a hospital procedure, enabling members to make an informed choice about their treatment.

Together these initiatives should add choice, certainty and value in private health care and ensure that the private health sector continues its vital partnership with the public sector. There will be further consultation with the private health industry before the introduction of the wider private health insurance reform legislation. The government will not abandon its plans to sell off Medibank Private, as it is part of our plan for a strong, effective and competitive private health insurance industry.

I ask the Labor Party: why does the government need to own one of 38 competing private health funds? There is no policy reason for the government to own a health fund. The government believes that businesses are best run by businesspeople, not bureaucrats. I support the sale of Medibank Private.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Murray)—The President has received letters from party leaders nominating senators to be members of various committees.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (6.00 pm)—by leave—I move:

That senators be appointed to committees with effect from 11 September 2006 as follows:

Community Affairs—Standing Committee—

Appointed—

Senators Adams, Allison, Barnett, Carol Brown, Humphries, Moore, Patterson and Polley


Economics—Standing Committee—

Appointed—

Senators Bernardi, Brandis, Chapman, Joyce, Lundy, Murray, Stephens and Webber
Substitute member: Senator O’Brien to replace Senator Webber for the committee’s inquiry into petrol pricing in Australia.


Employment, Workplace Relations and Education—Standing Committee—

Appointed—

Senators Bernardi, George Campbell, Fifield, Johnston, Marshall, Mewen, Stott Despoja and Troeth.


Environment, Communications, Information Technology and the Arts—Standing Committee—

Appointed—

Senators Bartlett, Eggleston, Lundy, Ian Macdonald, Parry, Ronaldson, Webber and Wortley.

Substitute member: Senator Crossin to replace Senator Lundy for the committee’s inquiry into Australia’s Indigenous visual arts and craft sector.


Finance and Public Administration—Standing Committee—

Appointed—

Senators Carol Brown, Fierravanti-Wells, Fifield, Forshaw, Mason, Moore, Murray and Watson.


Foreign Affairs, Defence and Trade—Standing Committee—

Appointed—

Senators Bishop, Ferguson, Hogg, Hutchins, Johnston, Payne and Trood.

Legal and Constitutional Affairs—Standing Committee—

Appointed—

Senators Bartlett, Brandis, Crossin, Kirk, Ludwig, Payne, Scullion and Trood

Substitute member: Senator Moore to replace Senator Ludwig for the committee’s inquiry into Indigenous workers whose paid labour was controlled by Government


Rural and Regional Affairs and Transport—Standing Committee—

Appointed—

Senators Ferris, Heffernan, McEwen, McGauran, Nash, O’Brien, Siewert and Sterle


Question agreed to.

DOCUMENTS

The ACTING DEPUTY PRESIDENT—Order! It being 6 pm, we will move to the consideration of government documents.

Department of Defence

Debate resumed from 17 August, on motion by Senator Stephens:

That the Senate take note of the document.

Senator HOGG (Queensland) (6.00 pm)—I rise to take note of the Department of Defence report for 2004-05. I have spoken previously on the issue of retention and recruitment within the Australian Defence Force and how important that is. This evening, though, I want to turn to a probably not often read page of the annual report but one that I have read previously and asked Defence for explanations on. I am sure, Mr Acting Deputy President, that you will be interested in this. It is part of their accounts, note 15, on executive remuneration. The table on executive remuneration sets out the remuneration bands in, it seems, almost $10,000 lots and lists the number of executives who fall into each of those bands.

A number of years ago when I raised this issue at the Senate estimates hearing I think it caused a little bit of consternation. There was a bit of concern on the part of Defence that, firstly, they could not find a proper explanation for what was happening. To their credit, they eventually came up with an explanation. Secondly, there were what seemed to be major shifts taking place within the bands. That is the concern that I, again, have on this occasion when reading the 2004-05 report. With respect to the executive remuneration and the band that covers the individuals—and I never sought the identity of the individuals—I have been concerned about the shift in the bands more than anything else. The calculation includes salary and allowances, accrued superannuation, redundancy payments, accrued leave, car parking, motor vehicle costs and fringe benefits taxes.

In addition, for Australian Defence Force members it includes the value of health and
housing subsidy and a number of other miscellaneous allowances, including field allowances, career transition training and separation and retention allowances. It covers a wide range, particularly for those who are active serving members of the Australian Defence Force. The comparison is interesting to look at between 2004 and 2005. In the report for 2004-05 we see that a new band has crept in—that is, the band from $470,000 to $479,999; $560,000 to $569,999; and, $590,000 to $599,999. Indeed, they are not insignificant amounts. In 2004, there were no persons in these categories at all, but there were persons in the following categories: $400,000 to $409,999; $420,000 to $429,999; and, $440,000 to $449,999. There was one person in each of those categories.

It seems to me that those people have now been moved up into what I would say are substantially higher categories. Whilst there may have been a change in some of the circumstances of these people, it would be interesting to find out how much of that impact is brought about by salary and how much is brought about by other aspects of the remuneration package and what aspects are significant in what I believe to be a significant shift. If one could simply translate someone from the lowest level of what I quoted into what is now the lowest level then there is in the order of a 30 per cent increase in the value of remuneration. It must be of concern. There is no explanation, and I think that the table itself does not serve Defence well. Whilst it is common in many annual reports, it does not serve Defence well. I think that if Defence could provide a better explanation of the meaning of this table, it would take away many of the concerns that I would have and certainly a lot of other Australians would have about the remuneration for some of the people in our Defence Force. I seek leave to continue my remarks.

Leave granted; debate adjourned.

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**Human Rights and Equal Opportunity Commission**

Debate resumed from 17 August, on motion by Senator Bartlett:

That the Senate take note of the document.

**Senator MARSHALL** (Victoria) (6.06 pm)—The Human Rights and Equal Opportunity Commission’s report for 2004-05 reminds us that in Australia we do not have a perfect record on human rights and equal opportunity and that there is always more to be done. But the report also reminds us that internationally there is much to be done, particularly in the area of human rights. It prompts me to speak to the Senate about Australian workers who have fought long and hard to gain rights and conditions at work and continue to fight to protect these hard-won gains: conditions such as the eight-hour day, safety regulations, superannuation and liveable wages. And as workers here face attacks from this conservative government, we must also recognise that these are struggles that workers fight across the world.

I want to bring to the Senate’s attention the plight of South Korean construction workers in Pohang, South Korea. In their legitimate push for better conditions, they have suffered their colleagues being sacked, injured, arrested, imprisoned and killed. These workers have been trying to achieve four basic improvements in their working conditions: the recognition of their union, a day off on Sunday, the application of overtime rates and the repeal of individual contracts, to be replaced by enterprise collective agreements. So far over 500 workers have been dismissed for pushing for these. Over 50 workers have been injured and over 70 have been charged, with one remaining in prison.

Ha Joong Keun, a member of the Korean Federation of Construction Industry Unions, was severely beaten by riot police after join-
ing a rally on 16 July and died in hospital on 1 August. He was one of thousands of workers who attended the rally, held in solidarity with fellow construction workers who had launched a peaceful sit-in on 13 July at the headquarters of the Pohang Steel Corporation—POSCO. Thousands of riot police surrounded the rally and beat the workers with riot shields. Those on strike work up to 10 hours per day, seven days a week in dangerous conditions. Their living quarters have just seven bathrooms for over 3,000 workers and no eating facilities. POSCO is not a poor company. In fact, it made a $US6 billion profit last year alone.

Throughout this push to gain basic conditions, the Korean government’s actions have been to violently stop any dissent in order to protect these large commercial interests. This current treatment of these workers is a practical example of how legislation such as the Independent Contractors Bill 2006 can be used against workers. During the 1990s, concrete companies forced their workers to be subcontractors. They sold them the trucks and forced them to sign individual contracts which then restricted them to working with only one company. Employers routinely resist the formation of union branches to push for better conditions, and in March this year 22 workers ended up hospitalised following a concrete company’s use of a private riot squad to repress a union meeting.

I urge the government of South Korea to treat workers with respect and to legislate for workers’ rights and conditions to be protected. I also implore them to take action against the Korean Federation of Ready Mixed Concrete Industry Cooperatives and the owner of Eugene Concrete for their continued breaches of industrial relations laws.

As I have said, Australia is not perfect in all of these areas, as this report has indicated. But it does remind us of how much work needs to be done overseas and of how some of the very basic rights which have been fought for here and which we take for granted are rights that are seen as privileges in many other countries. For the right to have their union recognised, people are having to take very strong action which is met with very severe resistance sanctioned by governments and funded by employers. That is something this Senate should deplore. I will certainly be taking this matter up directly with the South Korean Ambassador to Australia, and I urge the South Korean government to look long and hard at their workplace relations. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Migration Act 1958: Section 486O

Debate resumed from 17 August, on motion by Senator Stephens:

That the Senate take note of the document.

Senator MARSHALL (Victoria) (6.13 pm)—I rise to speak on this report of the Commonwealth Ombudsman because it reflects on the Migration Act 1958 and, as you would be aware, Mr Acting Deputy President, there has been some discussion in the Senate this week in relation to migration issues. I want to reflect on the contribution that Senator Ian Macdonald made earlier in the week when debating the Migration Amendment (Employer Sanctions) Bill 2006. He suggested that the Menzies era of Australian government was the era when Australia opened its doors and welcomed in migrants from all over the world. He then went on to say, and I am quoting from Hansard:

... you may recall that, when Australia first became a Commonwealth, much to its shame this nation had in place what was loosely referred to as the ‘White Australia policy’, a policy that the Labor Party and no doubt the Greens—had they been around then—and certainly the communists,
who were the forerunners to the Greens, would have supported.

... ... ...

It was the enlightened Menzies government that opened up the doors to immigration.

I find that comment rather strange, because clearly it was not the Menzies government that opened up this country to immigration. While we all deplore the White Australia policy, it was a different era. Of course, it was not just the Labor Party that had that policy; the forerunners to the conservatives on the other side of the chamber and all political parties of the day supported the White Australia policy. The only thing correct in what Senator Ian Macdonald said is that it is to our shame—and we certainly do not support it. But to talk about Menzies as an opponent to the White Australia policy is, quite frankly, a joke; he was Prime Minister for nearly 20 years and, during that time, he did little to change it.

In fact, Menzies was happy not only to see that policy used against Asians but also to use its provisions against his political opponents. For example, as Attorney-General in 1934, Menzies tried to use a major plank of the White Australia policy—the dictation test—to prevent a number of European delegates from attending an anti-war congress in Melbourne. Most notably, he tried to prevent the Czechoslovakian journalist Egon Kisch from landing. Kisch spoke 11 languages, so he presented Menzies with a bit of a problem. Kisch was given a dictation test in Scots Gaelic. He failed that test and was refused entry. He jumped from the vessel at Station Pier and was hospitalised with a broken leg. Menzies suffered the double humiliation of having his denial of entry to Kisch overturned and hearing the judge do so on the basis that Scots Gaelic was not a living language.

Menzies was not only a supporter of the White Australia policy but prepared to use its provisions in the most unscrupulous of ways. So I suspect that, in his contribution, Senator Ian Macdonald was simply being a politician with an eye for the main chance to make a cheap political point and rewrite the history of the White Australia policy and who was responsible for it. Then again, Menzies too was a politician with an eye for the main chance. He showed his true colours at the outbreak of war in 1914. Menzies was an officer in the Melbourne University Rifles but not for long. As Eddie Ward said years later, Menzies had a brilliant military career cut short by the outbreak of war.

Senator EGGLESTON (Western Australia) (6.17 pm)—I would like to make a comment on the report that Senator Marshall has just addressed. As I understand it, the origins of the White Australia policy were based not so much on blatant racism but on protecting the terms and conditions of Australian workers. The White Australia policy excluded from Australia cheap Asian and Pacific labour—people who might work for far less pay and lesser conditions than Australian workers. In fact, one could perhaps describe it as an industrial policy that came out of the early Australian labour movement. There is no doubt in my mind that, as the century progressed, it became very much a racist policy—and the kinds of remarks that Senator Marshall has just made about the way it was used were definitely racist. But the historic origins of the White Australia policy were more to do with the protection of the wages and conditions of Australian workers. When it comes to ending the White Australia policy, it was, as I understand it, Harold Holt, during his prime ministership, who at a cabinet meeting—it is in the cabinet papers, which have been released for public appraisal—

Senator EGGLESTON—Yes, it was Harold Holt, not Menzies. It was Harold Holt who felt that perhaps we should relax our ‘immigration restriction policy’, as it came to be known, to permit a small quota of Asians and coloured people. Of course, that has grown into the non-discriminatory immigration policy that we have today.

Question agreed to.

Australia-Indonesia Institute: Report

Debate resumed from 17 August, on motion by Senator Stott Despoja:

That the Senate take note of the document.

Senator HOGG (Queensland) (6.21 pm)—by leave—I think it is appropriate to speak to report No. 41, the 2005 report of the Australia-Indonesia Institute, because we have had a rocky relationship with Indonesia, our largest neighbour, ever since it gained its independence. Of course, the Australia-Indonesia Institute serves a purpose in trying to improve the relationship at many levels—not just at the senior political level but at many levels—and the report seeks to highlight this in many ways.

I will read from the report for a moment before I get onto some of the more pertinent issues I want to talk about. The institute’s mission statement and goals are:

To develop relations between Australia and Indonesia by promoting greater mutual understanding and by contributing to the enlargement over the longer term of the areas of contact and exchange between the people of Australia and Indonesia.

I think that that is highly laudable and entirely praiseworthy but, as I said, there have been rocky moments and there still are. One can look—and I can only go back in my time in this parliament—to the time when the people of East Timor, now Timor Leste, were seeking independence from Indonesia. That caused a great deal of concern on the part of Indonesia and, of course, a robust debate erupted between us and them about Australia’s involvement in seeking to ensure the independence of our brothers and sisters in Timor Leste.

In more recent times, we have seen the debacle with the Howard government over the refugees from West Papua and the appeasement of, or the attempt to appease, the Indonesians in that part of our relationship. Most recently, we have seen difficulties emerging over the fate of the Bali nine and the grave concerns that many of us in Australia have about the death sentences that are awaiting many of those people who, whilst they have broken the law—and I am not trying to justify that in any way—face a fate which we would not wish upon anyone in this world.

But, amidst all of that, there is good going on. There is, as I said, the work being done by the Australia-Indonesia Institute. The interim report that I was partly responsible for at the time of the independence of East Timor urged a greater contact, parliament to parliament—not just at the senior parliamentary level but at lower levels of the parliament—and that has taken place. On at least two or three occasions now, in more recent times, I have hosted Indonesian politicians and have talked about some of the very simple and basic roles that Australian politicians perform in our democratic processes. They have listened politely and they have gone away. Whether they have absorbed or taken on board some of the suggestions that have been made I am not sure and probably will never know, but one can only hope so. Nonetheless, it is an important part that we as politicians play.

I also know that a delegation of this parliament is travelling to Indonesia shortly. I trust not only that they will be warmly welcomed but also that the Indonesians will be receptive to some of the robust issues that,
undoubtedly, will be raised by the people who are on that delegation. And I would think that top of the list will be the fate of the Bali nine.

I think it is a good thing that we can have a mature relationship with countries such as Indonesia. Whilst they might not like what we say, at least they should be prepared to sit and listen to the forthright expression of the views that we hold in some of these areas. I commend the report to the Senate, and seek leave to continue my remarks.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered:

Aboriginal Land Commissioner—Report for 2004-05. Motion of Senator Bartlett to take note of document called on and agreed to.


Torres Strait Regional Authority—Report for 2004-05. Motion of Senator Bartlett to take note of document called on. Motion of Senator Webber to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business, Senator Kirk in continuation.

Superannuation (Government Co-contribution for Low Income Earners) Act 2003—Quarterly report on the Government co-contribution scheme for the period 1 July to 30 September 2005. Motion of Senator Bartlett to take note of document called on and agreed to.

Australian Rail Track Corporation Limited (ARTC)—Report for 2004-05. Motion of Senator Webber to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

Natural Heritage Trust—Report for 2004-05. Motion of Senator Milne to take note of document called on. On the motion of Senator Kirk debate was adjourned till Thursday at general business.

National Rural Advisory Council—Report for 2001-02, including a report on the Rural Adjustment Scheme. Motion of Senator Stott Despoja to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

National Rural Advisory Council—Report for 2002-03. Motion of Senator Stott Despoja to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Government response to the Commonwealth Ombudsman’s reports 003/05 to 013/05 and 015/05, 7 February 2006. Motion of Senator Stephens to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 003/05, 4 November 2005. Motion of Senator Stephens to take note of document called on and agreed to.

Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 005/05, 4 November 2005. Motion of Senator Stephens to take note of document called on and agreed to.

Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 007/05, 21 November 2005. Motion of Senator Stephens to take note of document called on and agreed to.


Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 014/05, 1 December 2005. Motion of Senator Stephens to take note of document called on and agreed to.

Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 015/05, 4 November 2005. Motion of Senator Stephens to take note of document called on and agreed to.


Commonwealth Grants Commission—Report—State revenue sharing relativities—2006 update. Motion of Senator Watson to take note of document called on. On the motion of Senator Kirk debate was adjourned till Thursday at general business.


Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Report by the Commonwealth Ombudsman—Personal identifier 017/05, 4 November 2005. Motion of Senator Hinch to take note of document called on and agreed to.
Senator Bartlett to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 July to 31 October 2005. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 July to 31 October 2005. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.


*Queensland Fisheries Joint Authority*—Report for 2003-04. Motion of Senator Ian Macdonald to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

*Indigenous Business Australia*—Corporate plan 2006-2008. Motion of Senator Kirk to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

*Multilateral treaty*—Text, together with national interest analysis and annexures—Agreement Establishing the Pacific Islands Forum, done at Port Moresby on 27 October 2005. Motion of Senator Ian Macdonald to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

*Migration Act 1958*—Section 440A—Conduct of Refugee Review Tribunal (RRT) reviews not completed within 90 days—Report for the period 1 July to 31 October 2005. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Government response to the Commonwealth Ombudsman’s reports 017/05 to 019/05 and 020/06 to 048/06. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Reports by the Commonwealth Ombudsman—Personal identifiers 017/05 to 019/05 and 020/06 to 048/06. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*National Rural Advisory Council*—Report for 2004-05. Motion of Senator Ian Macdonald to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.


*Australian Agency for International Development (AusAID)*—Australian aid: Promoting growth and stability—White paper. Motion of Senator Stott Despoja to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Government response to the Commonwealth Ombudsman’s reports 049/06 to 055/06, 9 May 2006. Motion of
Senator Bartlett to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Reports by the Commonwealth Ombudsman—Personal identifiers 049/06 to 055/06. Motion of Senator Bartlett to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 November 2005 to 28 February 2006. Motion of Senator Bartlett to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.


Northern Territory Fisheries Joint Authority—Report for 2004-05. Motion of Senator Siewert to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

Australian National University—Report for 2005. Motion of Senator Kirk to take note of document called on. On the motion of Senator Hogg debate was adjourned till Thursday at general business.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Government response to the Commonwealth Ombudsman’s reports—Personal identifiers 056/06 to 066/06. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Reports by the Commonwealth Ombudsman—Personal identifiers 056/06 to 066/06. Motion of Senator Kirk to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

Aboriginal and Torres Strait Islander Commission—Report for the period 1 July 2004 to 23 March 2005. [Final report] Motion of Senator Bartlett to take note of document called on. On the motion of Senator Eggleston debate was adjourned till Thursday at general business.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Personal identifiers 067/06 to 069/06—Government response. Motion of Senator Ludwig to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.

*Migration Act 1958*—Section 486O—Assessment of appropriateness of detention arrangements—Personal identifiers 067/06 to 069/06—Commonwealth Ombudsman’s reports—Government response. Motion of Senator Ludwig to take note of document called on. Debate adjourned till Thursday at general business, Senator Kirk in continuation.
Debate resumed from 17 August, on motion by Senator Johnston:

That the Senate take note of the report.

Senator FAULKNER (New South Wales) (6.28 pm)—I rise to speak on the Foreign Affairs, Defence and Trade Legislation Committee’s First progress report—reforms to Australia’s military justice system. I would commend to the Senate this very important report. This is a very important issue, as I know all senators in this chamber understand.

I believe that the military justice system has been deeply flawed. There has been the perception that military justice has been about protecting the ADF from criticism rather than resolving problems and rather than fairness. If the committee’s unanimous recommendations had been implemented, criminal investigations would have been handed to the civilian police in the first instance and the matters dealt with in civilian courts, giving our service people access to the same principles of justice that are available to every other Australian.

The government’s response to the committee’s report was not to follow those recommendations. As the report of the committee reviewing progress has since found:...

... many of the problems that were identified in the military justice report were manifestations of a deeply entrenched culture. Improvements in process will not of themselves change the culture.

I note that this happens at a time when the government is seeking to see a significant increase in the amount of recruitment in our Australian Defence Force. I also note the real and genuine concerns that are held about the high level of commitment of our armed services in overseas deployments. The government’s answer to this problem shows how out of touch it really is. What is it going to do? It is going to relax recruiting standards.

Recruiting standards ought to be regularly reviewed. Standards that are arbitrary and unrelated to capacity ought to be changed. But reviews and changes ought not to be based on some sort of desperate attempt to bolster numbers in the defence forces by lowering standards. When the Australian Defence Force has trouble meeting recruitment targets we ought to ask why that has occurred—what is the reason for it. We should ask that question and try to get some answers to that very important question before we have a headlong rush into lower standards.

One of the reasons why that has occurred was contained in the Foreign Affairs, Defence and Trade References Committee’s report into the military justice system in 2005. It is alluded to again in this progress report of the Foreign Affairs, Defence and Trade Legislation Committee. There is, and there is known to be, a deeply entrenched culture in the ADF that leads to bullying and the covert or overt endorsement of bullying by responsible officers. As we know, that leads to physical and sexual harassment and to the covering up of that harassment by abuse of process and attempts to blame the victim. That leads to the victimisation of those perceived to be weak—people who might be injured in training and the like or people who might be different because of perhaps their ethnic background or personal temperament. These are real issues. We also know that those who report wrongdoing—in other words, those living up to the best traditions of the ADF—are too often stigmatised and too often informally punished.

The references committee report demonstrated a mindset in the ADF that viewed making a complaint as seeking to subvert
authority. The progress report notes that procedural changes are not in and of themselves enough to change a deeply entrenched culture—a mindset, if you like—that permeates an organisation. They are just not enough. We need the government to act to change the culture, to take initiatives. Until such a change can be demonstrated, the ADF is going to find it hard to persuade young men and women to join up.

We all know—we all acknowledge—that young people join the ADF because they want to serve their country. They join the ADF for the right reasons. We have a responsibility to ensure that when these young men and women do join the ADF they are treated fairly, decently and with respect. That is our responsibility—the responsibility of government, of parliamentarians and, of course, of the ADF itself.

This is a problem—a real issue, in my view—that the government must address. I think that the minister and the government have to do an awful lot more than just pay lip service to the ADF’s recruitment crisis.

Senator HOGG (Queensland) (6.36 pm)—I do not know if Senator Faulkner read my mind, but I think we are very much along the same line.

Senator Faulkner—We so often are.

Senator HOGG—We are; that is quite true. The Foreign Affairs, Defence and Trade Legislation Committee’s first progress report on reforms to Australia’s military justice system is terribly important indeed. I was a member of the committee that did the original inquiry. The committee’s view was unanimous that the military justice system had to be taken out of the hands of the military. Of course, that was not to be the case. The government determined that there would be some changes made in the processes and tried to bring in more transparency and accountability. Nonetheless, my reaction to the inquiry was—and I have said it here before—that I never want to revisit the sorts of situations that were put to us in that inquiry. We had to deal with the trauma that many parents had experienced where their children had been on the rough side of the military justice system.

One of my colleagues, in addressing this report on the last occasion that it was before the Senate, made a comment about my being fairly sceptical of what Defence might do. I think there is nothing wrong with being sceptical, in a healthy way, about Defence. I have learnt over a long period of time that what Defence says it does not necessarily do; as for what it does, sometimes you do not know about that and you have to dig deep to find out.

My colleague also said, I think, that I can be fairly dismissive of the approach that Defence adopts from time to time. That is true as well, but at the end of the day I have no ill motives towards the people who are in the Department of Defence or our serving forces. My motives are simply to ensure that we have the best conditions, the best equipment and the best training. Everything should be done to ensure that those who choose to serve their country are well and truly looked after and have everything at their disposal to enable them to perform their duty—in many instances a hazardous duty—in the best manner possible.

So, when it came to the review, for me the focus was on the need to change the culture, as it was during the original hearings. And I am still sceptical as to whether the culture has been changed. Obviously, it is not like switching a light on and off. One cannot just change the culture of an organisation overnight. And I must pay tribute to some of the senior personnel who are driving the cultural change within Defence to try and ensure that
there is not a repetition of what we have seen previously.

But as to whether this reform has gone far enough, I must agree with Senator Faulkner: I do not believe it has at this stage. I still believe that there are some people within Defence who do not understand that Defence is a modern organisation which must, as such, respect the dignity, welfare and wellbeing of the people who serve us so well.

I will turn to the report for a couple of moments to address this issue of culture. Senator Faulkner hit straight on the appropriate quotes in this report, and I want to go to a couple of others. The committee noted in its report:

At this early stage of its implementation program, the ADF has demonstrated a commitment to improving Australia’s military justice system.

That is correct. There is a will, and it now has to be carried out. The report goes on to say:

The committee notes, however, that many of the problems that were identified in the military justice report were manifestations of a deeply entrenched culture. Improvements in process will not of themselves change the culture.

I am quoting exactly what Senator Faulkner quoted. Just changing the process itself will not change the culture that has, over a long period of time, left a number of people and a number of families scarred.

The report went on to note the role of the Inspector-General of the Australian Defence Force, the IGADF. The report said:

The committee is heartened by the positive approach taken by the IGADF in conducting audits of the military justice system that are intended to reflect accurately the health of the system.

I must commend the IGADF for the independence that is being shown. It lends some hope that through the parliamentary scrutiny that is now taking place, we will see some reform in this military justice system. The report goes on to say:

It particularly welcomes the commitment shown by the IGADF toward ensuring that unacceptable behaviour in the ADF will be reported and especially his determination to stamp out any form of reprisal directed at members reporting wrongdoing or making a complaint.

The committee report goes on to note:

The committee, however, draws attention to the prevailing cultural environment of the ADF discussed at length in the military justice report. It notes that even where there are formal and known avenues for a person to disclose information or make a complaint about inappropriate conduct, the workplace may effectively render them useless.

That is a tragedy in this day and age. The report goes on:

The committee stresses that a fundamental change in the ADF mindset must also occur to overcome the stigma attached to reporting wrongdoing or making a complaint.

Then it says:

Registering a complaint should not be contrived as seeking to subvert authority. Authority must command respect, not demand it.

I think that that has been part of the problem in the past. There has been a confusion between the dispensing of military justice and the right of an officer or a senior NCO to command their troops. Anything that is seen as contravening the authority is therefore seen as being subversive and trying to break down the processes within the military itself. Of course, that is the furthest thing from the truth. As the report said, if a person seeks to complain about injustice that is prevalent or applying to a person in a particular situation within Defence, that should not be construed as seeking to subvert authority.

I know that from time to time there are people who will seek to use the system, but that is not everyone. There are very few, a very small minority indeed. But those who
seek to use the system properly should not be discouraged or dissuaded from doing so by the use of military authority to suppress the rights and the wellbeing of those serving in our defence forces. Our defence forces are engaged in many theatres now, whether it be in Afghanistan, Iraq, the Solomon Islands, Timor Leste or wherever else throughout the world. They are entitled to know that they are going to be treated with respect as individuals in their serving capacity within the Australian Defence Force. I commend the report to those who have an interest in military justice and I seek leave to continue my remarks later.

Leave granted; debate adjourned.

TRANSPARENT ADVERTISING AND NOTIFICATION OF PREGNANCY COUNSELLING SERVICES BILL 2005

Report of Community Affairs Legislation Committee

Debate resumed from 17 August, on motion by Senator Humphries:

That the Senate take note of the report.

Senator FIELDING (Victoria—Leader of the Family First Party) (6.46 pm)—I rise to speak to the Senate Community Affairs Legislation Committee’s report on the Transparent Advertising and Notification of Pregnancy Counselling Services Bill 2005. The committee’s report revealed that the bill is an ideological attack on a group of largely voluntary community groups that have a conscientious objection to referring women for abortions. The bill’s central concern is whether organisations refer for abortion, not whether they offer quality counselling or whether they offer women support to have a child.

I would like to thank the many groups which provided evidence to the committee, especially when they were so often questioned more about their organisations than their thoughts on the bill at hand. Family First is proudly pro woman, which is why Family First believes the bill should have focused on ensuring we have the best possible pregnancy counselling services for Australian women. We should have the highest possible standards of counselling and look at ways to improve existing counselling services.

The bill would oblige pregnancy counselling agencies that have a conscientious objection to referring for abortion to print a statement in all their advertising or publications similar to suggested words in the bill, which are: ‘This service does not provide referrals for termination of pregnancy.’ Failure to do this could result in a fine of more than $1 million. The bill would also ensure that pregnancy counselling agencies that do not refer for abortions are not allowed to be listed in the 24-hour health and help call pages of the telephone directory, regardless of whether they print the required statement in advertising and publications. So the bill dictates that agencies must refer for abortion, if asked, after counselling or be labelled by their published statement as biased. They are also not allowed the same rights to advertise as abortion-referring groups. This would have the effect of discouraging women from contacting pregnancy support agencies.

One witness at the hearings put the problem of printing a statement particularly well:

We would be very clear that we are not directive within our counselling and yet having to state that openly works in the reverse, if you like. By stating that I am not a non-directive service under your definition then in fact what I am stating is that I am directive, and my social workers would walk out on that basis, and rightly so, because they would be misrepresented by the organisation if I were to sign a form that effectively said they were directive counsellors.
Another said the following:

… the phrase ‘does not refer for abortion’ is a politically polarised phrase— we all know that. For that to be insisted to be in advertising is politicising what I see as a medical or community service to women in crisis pregnancy. I actually think it increases the misleading nature of advertising rather than decreases it.

There was some confusion in the hearings over the sort of counselling offered by agencies that do not refer for abortion. Senators Adams and Nettle claimed that Pregnancy Help Australia is ‘not allowed to give any information regarding a termination’. Others giving evidence appeared to have a similar misunderstanding. They seemed to confuse providing counselling and information with providing a referral. Pregnancy counselling organisations were careful to make the distinction between giving information to women on abortion, which they did, and referring women to an abortion clinic, which they did not.

Pregnancy Help Australia said:

All our counsellors are trained to say, ‘We cannot provide you with a referral for termination services. We can, however, talk to you about your options and give you information about abortion procedures, et cetera, if that is what you want to do.’

Family First was alarmed by evidence that some ‘providers actually impose a financial disincentive to continue a pregnancy’. The Preterm Foundation, as well as Australian Birth Control Services, ‘charge a counselling fee of $50 only in the event that the woman chooses not to proceed with the termination’.

Some witnesses and senators claimed the federal government provided more funding to Pregnancy Help Australia than to organisations that refer for abortion. The Department of Health and Ageing made it clear that Pregnancy Help Australia ‘is certainly not the only organisation the Australian government funds’ for pregnancy counselling. The Australian government also funds Family Planning Australia and its state and territory subsidiaries through the public health outcome funding agreements ‘to a substantially larger degree overall than this program’ for funding Pregnancy Help Australia.

Family First believes the Transparent Advertising and Notification of Pregnancy Counselling Services Bill 2005 is an ideological attack on the tremendous work of pregnancy support agencies that do not refer for abortions. That is outrageous. Sadly, the bill does nothing to address the quality of pregnancy counselling. Nor does the bill address the poor standard of counselling in agencies that do refer for abortion, and the bill fails to ensure that abortion referral agencies provide help to women who decide
not to have an abortion. The bill merely dictates that agencies must refer for an abortion if asked after counselling or be labelled as biased. Family First strongly believes this bill should not receive support.

Question agreed to.

COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Economics Legislation Committee—Employment, Workplace Relations and Education Legislation Committee—Environment, Communications, Information Technology and the Arts Legislation Committee—Finance and Public Administration Legislation Committee—Foreign Affairs, Defence and Trade Legislation Committee—Rural and Regional Affairs and Transport Legislation Committee—Reports—Annual reports (No. 2 of 2006), September 2006. Motion of the chair of the Foreign Affairs, Defence and Trade Legislation Committee (Senator Johnston) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Foreign Affairs, Defence and Trade—Joint Standing Committee—Report—Expanding Australia’s trade and investment relations with North Africa. Motion of the chair of the committee (Senator Ferguson) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Foreign Affairs, Defence and Trade—Joint Standing Committee—Report—Australia’s defence relations with the United States. Motion of the chair of the committee (Senator Ferguson) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Electoral Matters—Joint Standing Committee—Report—Funding and disclosure: Inquiry into disclosure of donations to political parties and candidates. Motion of Senator Carr to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Foreign Affairs, Defence and Trade References Committee—Report—China’s emergence: Implications for Australia. Motion of the chair of the committee (Senator Hutchins) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Mental Health—Select Committee—First report—A national approach to mental health—from crisis to community. Motion of the chair of the committee (Senator Allinson) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Environment, Communications, Information Technology and the Arts References Committee—Report—Living with salinity—a report on progress: The extent and economic impact of salinity in Australia. Motion of the chair of the committee (Senator Bartlett) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

tion of the chair of the committee (Senator Crossin) to take note of report called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

Community Affairs References Committee—Reports—Forgotten Australians: A report on Australians who experienced institutional or out-of-home care as children—Protecting vulnerable children: A national challenge: Inquiry into Australians who experienced institutional or out-of-home care—Government responses. Motion of Senator Murray to take note of document called on. On the motion of Senator Kirk debate was adjourned till the next day of sitting.

AUDITOR-GENERAL’S REPORTS

Report No. 49 of 2005-06

Debate resumed from 17 August, on motion by Senator Moore:

That the Senate take note of the document.

Senator MARSHALL (Victoria) (6.56 pm)—In going through this audit report, it occurred to me that it is very relevant to some of the debate we have been having over the course of the last several months in respect of the abuse of the 457 skilled worker visa. This report clearly indicates that there is already a very comprehensive employment exchange program, job placement program, managed reasonably effectively by DEWR. The purpose of that program is to link supply and demand, the supply being job seekers and the demand being vacancies. The employment exchange program, which DEWR have in place, sets up a vacancy database and a job seeker database, matches them and has a notification process. There is also a payment process for placements.

The primary audit objective was to assess whether DEWR’s management and oversight of job placement and matching services is effective and, in particular, whether DEWR effectively manages, monitors and reports the performance of the JPOs in providing job placement services; whether DEWR effectively manages the provision of matching services, including the completion of vocational profiles and provision of vacancy information through auto-matching to job seekers; whether the job seeker and vacancy data in DEWR’s job search system is of high quality and is managed effectively; and whether DEWR effectively measures, monitors and reports job placement service outcomes. In particular, the third area I mentioned, which was whether the job seeker and vacancy data in DEWR’s job search system is of a high quality and whether it is managed effectively, goes directly to the issue of the skilled migration visa.

It occurs to me—and I raised this yesterday in this place as well—that there is substantial abuse of this visa application, but there is also substantial proper use of this visa. When it is managed in an area where there are identified skills shortages, where work has been done to try to employ people from within Australia and where that cannot happen, the logical process, when those skills are needed, is to try to recruit them from overseas. That is step 1.

But it should not simply be as easy as that. What is the next step? Surely, we have a process where people who require skills on an ongoing basis should be asked: ‘What contribution are you making to ensure that this is not a long-term shortage? Have you advertised? Why can’t you fill the position from within Australia? If you cannot fill it from within Australia and you need to temporarily get skilled migrants from overseas, what are you going to do to ensure that this is not an ongoing skills shortage?’ Being an electrician by trade before I came into this place, I am very concerned that in the electrical and, indeed, the plumbing area we have situations in Victoria where large numbers of apprentices are being put off or being put on down time because employers cannot pro-
vide enough work for apprentices at the same time as they are bringing in skilled electricians and skilled plumbers on 457 visas.

The reason they can do that is that there is no process where people actually have to demonstrate to the Department of Immigration and Multicultural Affairs that they have advertised within this country and explain the reasons that they cannot attract workers to this country. They should also have to demonstrate to DIMA what they are doing to ensure there is ongoing training in the skills where there are shortages. I find it extraordinary that in areas of traditional trades where, because of the privatisation processes that have happened over the last 20 years, the public sector no longer fulfils a lot of that training need, the obligation has fallen on the private sector and they have failed to meet their obligation to train skilled workers. Yet, at the same time, they take the easy option of saying: ‘No-one else has done the training. I don’t do the training, so what I’ll do is try to get people from overseas to come and do that work and I won’t have a commitment to employing and training young Australians.’

VICTEC, the largest specialised electrical and plumbing group training company in the country based in Victoria, has 220 apprentice electricians. For this year up to 34 apprentices in any given month have been sent back from employers, have remained on down time and have not been paid, because employers have not got enough work to train these people. Out of the 65 plumbers at VICTEC, up to 16 of those apprentices have not been paid, being on down time, because again employers do not have enough work.

It does concern me that we have this visa system which is absolutely out of control. It seems to be the easy option for many employers—even though we have heard the minister say it is not an easy option—because employers are not being challenged.

In my view, it would remove much of the abuse of this visa if employers first of all had to establish that there was indeed a problem in recruiting someone with those skills from Australia through an advertising process and then demonstrate that they actually had a plan to ensure that this was not going to be a long-term, ongoing problem. If you had that, you would get rid of a lot of the rogues who are using this visa purely for reasons of driving down wages and getting cheap, compliant labour to meet whatever objectives they seem to have. It really is beyond me that the government does not apply this simple test.

We have just seen reported in the press today—I am awaiting the formal details—that DIMA, I understand, has organised an agreement in the meat industry where employers will have to demonstrate that they have in fact advertised for those skills. That is a private agreement being negotiated between the meat industry and the appropriate department. If it is good enough there, where we know there has been substantial abuse, why isn’t that test being applied everywhere else? It is a logical test; it should be done.

No-one on this side objects to this visa if it is used appropriately where there is a demonstrated skills shortage. We do not have a problem with that. I urge the government, if they really want to have this visa used for the right purposes, to take away the opportunity for improper motives from employers by putting some few simple tests in place. It would take a lot of the heat out of this issue and we could get on with dealing with the problem of the general skills shortage in a more appropriate and structured way. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Report No. 2 of 2006-07

Senator McEWEN (South Australia) (7.05 pm)—I move:

That the Senate take note of the document.
The Auditor-General’s report No. 2 of 2006-07, *Performance audit—export certification: Australian Quarantine Inspection Services* is an important report that brings to our attention some not insignificant deficiencies in the certification processes applying to Australia’s exports of agricultural and horticultural products. Those exports are worth an estimated $32 billion per year to the Australian economy, and almost two-thirds of those exports must meet the health and quarantine requirements of the countries that import our meat, fish, dairy, grain and other produce. As we know, with the proliferation of free trade agreements and more FTAs being negotiated, Australia’s agricultural exporters will be facing increasingly stiff competition from other countries which also wish to sell their products on the world market. It is essential our export certification processes are the best possible. AQIS’s role in this, according to the report is to:

... provide assurance that approved arrangements are working and requirements are being met.

So it was somewhat disturbing to read in this report, the findings of the Auditor-General. I would like to bring a few of those to your attention, Mr Acting Deputy President. The findings include that there are:

Deficiencies in the quality and availability of guidance information for industry and staff.

The Auditor-General says of the guidance material:

... some was in draft form or out of date. Also, available guidance material for the majority of programmes was not broadly communicated.

With regard to measures intended to ensure that audit quality and reliability are met, the Auditor-General’s report notes:

... the extent to which these measures were used varied between export programmes. This limits management assurance on audit quality and reliability for most programmes.

On management reporting and performance information, the report notes that AQIS’s systems:

... do not allow for the capture and routine reporting of management data on audit progress, nor on results, compliance and corrective action. This limits AQIS’s ability to analyse trends and patterns of non-compliance and associated risks.

Finally, I note that the report said in the area of management of records that there were:

... instances where supporting evidence for audit reports was not well documented.

It is clear from this report—and there are other issues raised in the report that I have not reflected here—that there are systemic problems in the certification of Australia’s exports that need to be addressed by the government. I say ‘systemic’ because it is often too easy to blame AQIS field staff for problems that arise when systems they have to use are inherently faulty or flawed. I note that AQIS employs some 3,000 staff and I am certain that the majority of them are professional, hardworking people dedicated to the significant responsibilities that they are entrusted with. In a previous life, I represented the industrial interests of grain inspectors who worked at South Australian ports during negotiations which saw them transferred from being state public sector employees to employees of AQIS.

As Senator O’Brien said in his comments to the Senate yesterday about this report when it was tabled, the report does not say that the system is in danger of failing; however, it clearly indicates areas that the government urgently needs to address if AQIS is to acquit its charter and retain the confidence of the countries that import our produce and, just as importantly, our growers and exporters. The Labor Party is very concerned to ensure that AQIS can acquit its responsibilities. It was only last month, on 17 August, that the Labor Party moved to have an inquiry undertaken by the Rural and Regional
Affairs and Transport References Committee into the administration of quarantine by the Department of Agriculture, Fisheries and Forestry. It was a reference that supported a call from the New South Wales Farmers Association for an inquiry into AQIS. I am used to this government using its numbers to arrogantly dismiss or vote down sensible suggestions from this side of the Senate about inquiries that could be undertaken by Senate committees, but I would have thought that the government would pay some attention to the New South Wales Farmers Association—a not insignificant body. But apparently the government does not care what the New South Wales Farmers Association thinks is important in the area of Australia’s agricultural and horticultural exports.

Interestingly, that proposed reference to the Rural and Regional Affairs and Transport References Committee was opposed by the National Party senators in this place. Despite the support of the New South Wales Farmers Association for an inquiry of this nature and despite the various failures of Australia’s quarantine system, which have been brought to the attention of the Senate, the National Party senators decided not to support the inquiry. The failures of our quarantine system are legendary and include the terrible outbreak of citrus canker at Emerald in Queensland and the subsequent botched investigation of the outbreak by AQIS, and the infamous discovery of Brazilian beef dumped in a Wagga Wagga dump and the associated risks of the potential introduction of foot-and-mouth disease into Australia. Despite those obvious problems and incidents, the Nationals voted against having an inquiry, but we should not be surprised about that because we are used to them kowtowing to their coalition buddies and paying lip-service to the rural and regional constituents who they allegedly represent. We are used to seeing the Nationals being walked all over time and again by their coalition partners.

Now, of course, there is no Rural and Regional Affairs and Transport References Committee to refer anything to because the government got rid of committees that were chaired by non-government senators. More to the point, the government has got rid of an opportunity for scrutiny and accountability of Australia’s quarantine system because it got rid of the committee that could actually look at it in depth. You have to hope that the government’s arrogance in getting rid of those forums that provided the perfect opportunity for an in-depth, good look at Australia’s quarantine system does not have a detrimental effect on AQIS, which is already obviously struggling to remit its charter because of systemic problems it has.

I hope the government takes on board the recommendations that are made by the Auditor-General in this report and addresses those systemic problems that have been highlighted in the areas of audit policies and procedures, maintaining and monitoring audit schedules, record keeping and all the other things that the Auditor-General has put forward. The recommendations are clearly set out in the report; there is no excuse for the government not to take them up. From my quick reading of it, I believe it would not even necessarily be a huge budget impediment for the government to ensure that those recommendations are taken up. I guess we will wait and see just how much this government does support the agricultural and horticultural producers of this country who rely on a squeaky clean and best possible system of ensuring that export protocols for our produce are met. I commend the report to the government and I seek leave to continue my remarks later.

Leave granted; debate adjourned.
The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Audit report no. 36 of 2005-06—Performance audit—Management of the Tiger Armed Reconnaissance Helicopter Project—Air 87: Department of Defence; Defence Materiel Organisation. Motion of Senator Bishop to take note of document agreed to.


Order of the day no. 3 relating to reports of the Auditor-General was called on but no motion was moved.

Senate adjourned at 7.14 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—Amendment 54—Parliamentary Zone (Section 55 Parkes) [F2006L03001]*.

Australian Communications and Media Authority Act—Radiocommunications (Charges) Amendment Determination 2006 (No. 1) [F2006L02969]*.

Civil Aviation Act—

Civil Aviation Regulations—Instruments Nos—

CASA 295/06—Amendment of instrument CASA 429/05 [F2006L02928]*.

CASA EX40/06—Exemption—from compliance with flight manual for jettison system [F2006L02948]*.

CASA EX42/06—Exemption—solo flight training using ultralight aeroplanes registered with Recreational Aviation Australia Incorporated at Farfield Airport [F2006L02985]*.

CASA EX43/06—Exemption—reweigh requirement [F2006L02931]*.

Civil Aviation Safety Regulations—Airworthiness Directives—Part—

105—

AD/AMD 10/26—Wing Anti-Ice Hoses [F2006L02993]*.

AD/B737/285 Amdt 2—State of Design Airworthiness Directives [F2006L02987]*.

AD/B737/293—Master Dim and Test System Wiring [F2006L02986]*.

AD/B737/294—Flightcrew Oxygen Masks [F2006L02992]*.

AD/BEECH 400/27—Generator Control Unit [F2006L02984]*.

AD/BELL 412/51—State of Design Airworthiness Directives [F2006L02983]*.

AD/BELL 427/5—Tail Rotor Gearbox Case Oil Feed Gallery [F2006L02982]*.

AD/CL-600/69—Horizontal Stabiliser Trim—Uncommanded Movement [F2006L02961]*.

106—AD/CF6/61—Thrust Reverser Actuation System [F2006L02981]*.


Corporations Act—ASIC Class Order [CO 06/704] [F2006L02944]*.
Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

- Indexed lists of departmental and agency files for the period 1 January to 30 June 2006—Statements of compliance—Attorney-General’s portfolio agencies. Australian Public Service Commission.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Illegal Fishing
(Question No. 1224)

Senator Crossin asked the Minister for Fisheries, Forestry and Conservation, upon notice, on 15 September 2005:

With reference to an article in the Northern Territory News, dated 14 July 2005, page 4, in which it was alleged that, over the next 5 years, funding for fisheries protection patrols in the southern ocean will be $217 million, while for the northern fishery it will be only $91.4 million, and that the figure for the northern area includes expenditure on the Darwin Detention Centre; and also to the response of the Minister that the Government spent a lot more in the north when all costs were taken into account, but at that time was unable to provide a breakdown of those costs:

(1) For each of the northern and southern fisheries areas, can the Minister provide a breakdown of the costs by specific programs in relation to the following: (a) running Australian Customs Service (ACS) boats in fisheries, including vessel operations and crew costs; (b) navy patrol boats in fisheries protection; (c) running the Ocean Viking in the southern ocean; (d) running Coastwatch, for: (i) planes, and (ii) crew costs; (e) maintaining and operating any detention centres used for illegal fishers; and (f) any other costs attributable to fisheries protection (e.g. Australian Fisheries Management Offices).

(2) For each of the northern and southern fisheries areas, how many illegal fishing boats have been sighted and recorded for the years 2004 and 2005 to date.

(3) How many have been apprehended.

(4) What was the type and quantity of the catch they were carrying.

(5) (a) How many crew did they have in total; and (b) where were the crew detained.

(6) How many of these boats were fitted with the more sophisticated equipment.

(7) How many illegal fishing boats have been reported as having actually landed and where did this occur.

(8) Given that it has been claimed (Northern Territory News, dated 13 July 2005) that illegal fishers are coming ashore on northern islands and that caches of shark fin have been found by the authorities, can the Minister confirm these claims; if so, how many such incidents have been reported and where.

(9) With reference to the Minister’s press release of 10 May 2005 (DAFF05/087M) which stated that Australian Fisheries Management Association would be funded with $1.1 million for a system to positively identify detained fishers to ensure that repeat offenders can be identified: (a) what is this system; and (b) has it been established yet.

(10) (a) How many boats, ACS or navy, are permanently on patrol in the southern ocean; and (b) how many boats are on patrol in the northern area.

(11) Can a breakdown be provided of the locations of Australian Fisheries Management Offices around the country.

(12) With reference to an article on page 1 of the Northern Territory News, dated 14 June 2005, in which it was alleged that Chinese mafia were funding illegal fishermen in the top end: (a) is the Minister aware of such stories; and (b) what is being done to follow up and investigate them.
(13) If evidence of foreign business in illegal fishing exists, from which country or countries does it come.

(14) With reference to an editorial in the Northern Territory News, dated 7 July 2005, in which it was claimed that illegal fishers and some commercial fishermen are plundering Australian waters for sharks, but that while Australian commercial fishermen are legally allowed to sell any by-product, such as shark fin, it is alleged that some are actively fishing for shark, given that it is difficult to distinguish between by-product and actively caught shark: is the Minister aware of these allegations; if so, what is being done to investigate them.

**Senator Abetz**—The answer to the honourable senator’s question is as follows:

(1) (a) In the north of Australia, Customs National Marine Unit vessels operating in support of the Civil Maritime Surveillance Programme are multi-tasked to identify and respond to incidents of concern to all client agencies. Separation of that component of expenditure that relates solely to fisheries activities is not therefore possible. Customs National Marine Unit vessels do not operate in Southern waters. For the period of one financial year, 2004-05, the total cost of operating the National Marine Unit was $39.6M.

(b) The Defence commitment to Coastwatch, which includes Patrol Boats, is detailed in the Customs Service Annual Report. The support provided is drawn from Defence’s allocated resources, and represents no net additional cost to the Defence Budget.

(c) The *Oceanic Viking* commenced its operations with Customs in November 2004. Its operating expenses for the Southern Ocean patrols from that date to 30 June 2005, was $27.6 million.

(d) (i) and (ii) Coastwatch contracted aircraft are provided on a turnkey basis—there is no separation within the contracts for the cost of the aircraft and cost of the crew. The total cost of Coastwatch contracted aircraft and crew, across all Civil Maritime Surveillance Program activities throughout Australia’s maritime zones during 2004-05, was $74.05 million. As all aircraft are multi-tasked to identify and respond to incidents of concern to all client agencies, separation of that component of expenditure that relates solely to fisheries activities in northern Australia is not possible.

(e) The Department of Immigration and Multicultural Affairs (DIMA) monitors expenditure based on a financial year. Due to the variations in expenditure for each Immigration Detention Facility (IDF), the use of an average across all IDFs for a financial year presents the truest figure for the cost of detention per person per day. The average cost per day for the 2004-05 financial year was $243.

(f) For the 2004-2005 financial year, the breakdown of foreign fishing expenditure for the Australian Fisheries Management Authority (AFMA) was as follows:

- Foreign fishing compliance in northern waters: $8.8m
- Foreign fishing compliance in sub-Antarctic waters (or Southern Ocean): $1.6m
- Provided below are the AFMA budget figures for the 2005-2006 financial year.

**Northern Programme 2005-2006**

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</tbody>
</table>
(2) Accurate estimates on the numbers of foreign fishing vessels (FFVs) sighted in the Australian Exclusive Economic Zone are very difficult to obtain as the majority of FFVs are broadly similar in construction and carry no distinguishing markings. Surveillance aircraft are unable therefore to identify individual FFVs and data involving FFV sightings will inevitably include repeat sightings of individual vessels. It will also include FFVs legitimately within the area such as:

- traditional Indonesian sailing vessels permitted access to an area of Australian waters as defined by a Memorandum of Understanding between Australia and Indonesia; and

- vessels exercising their right to innocent passage through Australian waters as afforded by the United Nation Convention on the Law of the Sea.

However, Coastwatch and Defence statistics indicate that there were 9,639 reports of foreign fishing vessels in 2004 and 13,018 sightings in 2005. It is important to note that these figures will include multiple sightings of the same vessel by different flights and may include sightings of vessels legitimately fishing in, and/or transiting Australian waters. These figures combine separate sightings by Coastwatch aerial assets and Defence aerial and surface assets with the very strong likelihood that both agencies report the same vessels.

In Australia’s southern fisheries area, there was one sighting of a foreign fishing vessel in 2004 and one in 2005, although additional investigative work was conducted into possible fishing activity on the high seas in contravention of the work undertaken by the Commission for the Convention on Antarctic Marine Living Resources (CCAMLR).

For the 2004 calendar year there were 162 apprehensions in northern waters, and 1 apprehension in southern waters.

(3) For the 2005 calendar year there were 281 apprehensions in northern waters, and 1 apprehension in southern waters.

(4) | Item | 2004 | 2005 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity(kg)</td>
<td>Numbers of catch</td>
</tr>
<tr>
<td>Fish</td>
<td>1404</td>
<td>12</td>
</tr>
<tr>
<td>Reef Fish</td>
<td>13350</td>
<td>6</td>
</tr>
<tr>
<td>Shark Fin</td>
<td>1396.5</td>
<td>940</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

#### 2004 and 2005

<table>
<thead>
<tr>
<th>Fish Type</th>
<th>Quantity (kg)</th>
<th>Numbers of catch</th>
<th>Quantity (kg)</th>
<th>Numbers of catch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shark bodies</td>
<td>198</td>
<td>73</td>
<td>198</td>
<td>73</td>
</tr>
<tr>
<td>Toothfish</td>
<td>191960</td>
<td></td>
<td>144000</td>
<td></td>
</tr>
<tr>
<td>Trepang</td>
<td>357</td>
<td>1305</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Trochus</td>
<td>1550</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Crayfish</td>
<td>1</td>
<td>26</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Weight is the estimate provided by the boarding party. Catch is not always recorded by weight figures. In such a case numbers are provided.*

#### (5) (a)

<table>
<thead>
<tr>
<th>Port of Initial Detention</th>
<th>Total Crew Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Northern</td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td>58</td>
</tr>
<tr>
<td>Darwin</td>
<td>445</td>
</tr>
<tr>
<td>Gove</td>
<td>356</td>
</tr>
<tr>
<td>Weipa</td>
<td>8</td>
</tr>
<tr>
<td>Thursday Island</td>
<td>260</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1127</td>
</tr>
<tr>
<td>Southern</td>
<td></td>
</tr>
<tr>
<td>Fremantle</td>
<td>40</td>
</tr>
<tr>
<td>Hobart</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>40</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1167</td>
</tr>
</tbody>
</table>

Note: These figures show the total numbers of fishers detained.

#### (b)

For 2003-2004 and 2004-2005:

- Illegal foreign fishers (IFFs) apprehended in Australia’s southern oceans were held in immigration detention in Perth Immigration Detention Centre (IDC), Villawood IDC, and in alternate detention at Leeuwin Barracks, Fremantle; and

- IFFs apprehended in Australia’s northern waters were held in Baxter IDF, Perth IDC, and alternate places of detention (e.g. prisons, hospitals, motel accommodation). Until boat-based detention ceased in June 2005, IFFs in immigration detention were also held on board their boats.

#### (6)

<table>
<thead>
<tr>
<th>Navigation Equipment</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart and/or Compass only</td>
<td>136</td>
<td>202</td>
</tr>
<tr>
<td>Subtotal</td>
<td>136</td>
<td>202</td>
</tr>
<tr>
<td>GPS plus chart and compass</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>GPS and other (e.g. radar, satellite, fish finder, HF radio)</td>
<td>12</td>
<td>56</td>
</tr>
<tr>
<td>Subtotal</td>
<td>25</td>
<td>79</td>
</tr>
<tr>
<td>Grand Total</td>
<td>161</td>
<td>281</td>
</tr>
</tbody>
</table>

#### (7)

In the 12 months to 31 December 2005, there were 24 confirmed sightings by Coastwatch aircraft of landings by foreign fishing vessels as follows.
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 October 2004</td>
<td>Robinson River</td>
</tr>
<tr>
<td>20 December 2004</td>
<td>Maningrida</td>
</tr>
<tr>
<td>15 January 2005</td>
<td>Nth Goulburn Island</td>
</tr>
<tr>
<td>16 January 2005</td>
<td>Grant Is</td>
</tr>
<tr>
<td>31 January 2005</td>
<td>Lawson Is</td>
</tr>
<tr>
<td>5 February 2005</td>
<td>Anaru Bay</td>
</tr>
<tr>
<td>9 February 2005</td>
<td>Millinginhi Island</td>
</tr>
<tr>
<td>4 April 2005</td>
<td>Wessels</td>
</tr>
<tr>
<td>11 April 2005</td>
<td>Maninggrida</td>
</tr>
<tr>
<td>19 April 2005</td>
<td>McLuer Island</td>
</tr>
<tr>
<td>8 May 2005</td>
<td>Oxley Island</td>
</tr>
<tr>
<td>8 May 2005</td>
<td>Deliverance Island</td>
</tr>
<tr>
<td>8 May 2005</td>
<td>Mornington Island</td>
</tr>
<tr>
<td>17 May 2005</td>
<td>Goulburn Island</td>
</tr>
<tr>
<td>21 May 2005</td>
<td>Nth Goulburn Island</td>
</tr>
<tr>
<td>15 July 2005</td>
<td>NW Crocodile Island</td>
</tr>
<tr>
<td>21 July 2005</td>
<td>Cap Islet</td>
</tr>
<tr>
<td>4 August 2005</td>
<td>Groote Eylandt</td>
</tr>
<tr>
<td>13 August 2005</td>
<td>Kerr Island</td>
</tr>
<tr>
<td>30 August 2005</td>
<td>Hawk Island</td>
</tr>
<tr>
<td>10 September 2005</td>
<td>Deliverance Island</td>
</tr>
<tr>
<td>22 September 2005</td>
<td>Browse Island</td>
</tr>
<tr>
<td>30 September 2005</td>
<td>Cape Bougainville</td>
</tr>
<tr>
<td>19 October</td>
<td>Junction Bay</td>
</tr>
<tr>
<td>20 October</td>
<td>King River</td>
</tr>
<tr>
<td>22 October</td>
<td>Brue Reef</td>
</tr>
<tr>
<td>22 October</td>
<td>NW Crocodile Island</td>
</tr>
<tr>
<td>27 October</td>
<td>Cotterell River</td>
</tr>
<tr>
<td>29 October</td>
<td>Tudu Island</td>
</tr>
<tr>
<td>5 November</td>
<td>Honeymoon Bay</td>
</tr>
<tr>
<td>16 November*</td>
<td>One Arm Creek</td>
</tr>
<tr>
<td>18 November*</td>
<td>Elcho Island</td>
</tr>
<tr>
<td>23 November*</td>
<td>Cuthbert Point</td>
</tr>
<tr>
<td>4 December*</td>
<td>Johnson River (Melville Island)</td>
</tr>
<tr>
<td>8 December</td>
<td>Junction Bay</td>
</tr>
<tr>
<td>8 December</td>
<td>Cap Island</td>
</tr>
</tbody>
</table>

*(sightings confirmed by Coastwatch assets)*

(8) The Australian Customs Service has advised that in the 12 months to 31 December 2005, it confirmed one cache of shark fins. The cache was identified in April 2005 on Mornington Island.

(9) (a) The system for identification has not been selected. A number of biometric identification systems are commercially available, including fingerprint, iris scan, and facial recognition. AFMA is liaising with other agencies to develop a co-ordinated approach to storing data.

(b) No. Funding will be provided to AFMA in 2006-07.

(10) (a) and (b) This information is not publicly available as it is operationally sensitive.

(11) AFMA operates from three offices located in Canberra, Darwin and on Thursday Island.

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QUESTIONS ON NOTICE
(12) (a) Yes. (b) Various Commonwealth agencies are conducting investigations into organised crime in fisheries.

(13) The majority of vessels and crews that fish illegally in Australia’s northern waters originate from Indonesia. The eight vessels that have been apprehended for illegal fishing in Australia’s Southern Ocean territory surrounding Heard Island and McDonald Island since 1997 were flagged to Belize, Panama, the Seychelles, Togo, Russia (two vessels) and Uruguay (two vessels). The Taruman, apprehended in September 2005 for alleged illegal fishing in Australia’s Macquarie Island EEZ, was flagged to Cambodia.

(14) Yes. Australia has developed a National Plan of Action for the Conservation and Management of Sharks (Shark-plan) in line with its commitment to the Food and Agriculture Organisation’s (FAO) International Plan of Action for the Conservation and Management of Sharks (IPOA). The Commonwealth has integrated the relevant actions identified in the shark plan into respective management arrangements for each fishery under its jurisdiction.

Under the Offshore Constitutional Settlement (OCS) those fisheries which target shark in the north of Australia are managed by the states and the Northern Territory.

There are two Commonwealth fisheries in the waters adjacent to the Northern Territory: the Northern Prawn Fishery (NPF) and the Western Tuna and Billfish Fishery (WTBF), where there is the potential for sharks to be taken as an incidental bycatch. Schedule 1 of Direction No. 75 under the Management Plan for the NPF prohibits the taking of all sharks, rays and skates in the subclass Elasmobranchii in the waters of the NPF.

Permit Conditions in the Western WTBF incorporate by-product trip limitations of 20 sharks in the waters adjacent to the Northern Territory. Permit holders are prohibited from carrying, retaining or landing all shark (Class Chondrichthyes) dorsal, pectoral, caudal, pelvic and anal fins that are not attached to their carcass. Shark finning at sea has been banned in all Commonwealth tuna fisheries since October 2000. AFMA enforces permit conditions through a range of compliance activities designed to mitigate breaches of these conditions. These include vessel and fish receiver inspections.

Organised Crime
(Question No. 1640)

Senator Ludwig asked the Minister for Justice and Customs, upon notice, on 22 March 2006:

With reference to the article ‘Australians chased by anti-Mafia investigators’, in the Age of 22 March 2006, that four Australians are allegedly under investigation by Italian authorities for organised crime-related activities:

(1) Is the matter currently under investigation by the Australian Federal Police (AFP); if so: (a) when and by whom was it brought to the attention of the AFP; (b) on what date did the investigation commence; and (c) what is the current status of the investigation

(2) Has an extradition request been received by the AFP in respect of the four individuals mentioned in the article; if so: (a) on what date was the request received; and (b) what action was taken upon receipt of the request and on what date was that action taken.

(3) Has the matter been referred by the AFP to the Commonwealth Director of Public Prosecutions (CDPP) for prosecution or has a brief been referred to the CDPP for consideration of a prosecution; if so: (a) on what date was the brief forwarded to the CDPP; and (b) to the AFP’s knowledge, what action has been taken by the CDPP in respect of this matter.

Senator Ellison—The answer to the honourable senator’s question is as follows:

(1) For operational reasons, the AFP does not routinely disclose whether or not a matter is under investigation.
(2) No. The AFP does not receive extradition requests directly. Matters concerning extradition requests should be referred to the Attorney-General’s Department. See the response to Question 1642.

(3) See the response to Question 1641 and 1642.

Post-Budget Function
(Question No. 1889)

Senator Milne asked the Minister representing the Attorney-General, upon notice, on 6 June 2006:
Did the Minister host a post-budget function after the release of the 2006-2007 Commonwealth Budget on 9 May 2006; if so:
(a) where was the function held;
(b) who was invited to the function;
(c) who attended the function;
(d) what was the cost of hosting the function;
(e) was the cost charged to the Commonwealth; if not, to whom was it charged;
(f) was a ticket price charged; if so, what was the ticket price;
(g) if no ticket price was charged, was a donation requested;
(h) how much revenue was collected by way of tickets charged or donations received; and
(i) to whom was the revenue paid.

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator’s question:

Yes.
(a) The function was held in my Parliament House Office.
(b) Departmental officials who worked on the budget process and my personal staff.
(c) See answer to (b).
(d) $1,246.75
(e) Yes.
(f) No.
(g) No.
(h) Not applicable.
(i) Not applicable.

Australian Quarantine and Inspection Service: Audits
(Question No. 2051)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 16 June 2006:

(1) Since the 1999-2000 financial year, by year, how many internal Audits of functions performed by the Australian Quarantine and Inspection Service (AQIS) have been undertaken.

(2) In each case: (a) who initiated the Audit; (b) when did the Audit commence; (c) who undertook the Audit; (d) when was the Audit completed; and (e) what was the result of the Audit.

(3) If external consultants were engaged: (a) what was the name of the consultant; (b) what was the cost; and (c) was the consultancy gained through a select or open tender process.
(4) Since the 1999-2000 financial year, by year, how many external Audits of functions performed by AQIS have been undertaken.

(5) In each case: (a) who initiated the Audit; (b) when did the Audit commence; (c) who undertook the Audit; (d) when was the Audit completed; and (e) what was the result of the Audit.

(6) If external consultants were engaged: (a) what was the name of the consultant; (b) what was the cost; and (c) was the consultancy gained through a select or open tender process.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) During the 1999-00 financial year there were 4 internal Audits involving AQIS functions. In 2000-01 there were 4 internal Audits involving AQIS functions. During the 2001-02 financial year, 3 internal Audits were conducted that involved AQIS functions. During the 2002-03 financial year there were 4 internal Audits involving AQIS functions. During the 2003-04 financial year there was 1 internal Audit involving AQIS functions. During the 2004-05 financial year, 3 internal Audits were conducted that involved AQIS functions. During the 2005-06 financial year there was 1 internal Audit involving AQIS functions.

(2) (a) All Audits were initiated at the direction of the Secretary of the Department of Agriculture, Fisheries and Forestry.

(b) In 1999, 2 internal Audits involving AQIS functions were initiated. In 2000, 4 internal Audits involving AQIS functions were initiated. In 2001, 3 internal Audits involving AQIS functions were initiated. In 2002, 4 internal Audits involving AQIS functions were initiated. In 2003, 2 internal Audits involving AQIS functions were initiated. In 2004, 4 internal Audits involving AQIS functions were initiated. In 2005, 1 internal Audit involving AQIS functions was initiated.

(c) All Audits were undertaken by Internal Audit.

(d) In 1999, 1 internal Audit involving AQIS functions was completed. In 2000, 3 internal Audits involving AQIS functions were completed. In 2001, 4 internal Audits involving AQIS functions were completed. In 2002, 4 internal Audits involving AQIS functions were completed. In 2003, 3 internal Audits involving AQIS functions were completed. In 2004, 2 internal Audits involving AQIS functions were completed. In 2005, 2 internal Audits involving AQIS functions were completed. In 2006, currently 1 internal Audit involving AQIS functions has been completed.

(e) All internal Audits were completed satisfactorily.

(3) No external consultants were engaged in internal Audit work.

AQIS Quarantine:

(4) During the 2000-01 financial year there was 1 external Audit involving AQIS functions. There was 1 external review conducted in 2003-04 which involved AQIS functions. During the 2005-06 financial year there was 1 external Audit involving AQIS functions.

AQIS Export Meat Programme:

During the 1999-2000 financial year, there were 3 external Audits and 2 external inspections involving AQIS functions. During the 2000-01 financial year, there were 6 external Audits and 1 external inspection involving AQIS functions. During the 2001-02 financial year, there were 2 external Audits involving AQIS functions. During the 2002-03 financial year, there were 6 external Audits and 1 external inspection involving AQIS functions. During the 2003-04 financial year, there were 10 external Audits and 1 external inspection involving AQIS functions. During the 2004-05 financial year, there were 8 external Audits involving AQIS functions. During the 2005-06 financial year, there were 4 external Au-
dits and 1 external inspection involving AQIS functions. During the 2006-07 financial year, there have been 2 external Audits involving AQIS functions.

**AQIS Quarantine:**

(5) (a) All Audits undertaken by the Australian National Audit Office (ANAO) were initiated by the Auditor-General as part of the regular programme of work. The review undertaken by the Joint Committee of Public Accounts and Audits (JCPAA) was initiated by the JCPAA as part of the regular programme of work.

(b) In 2000, 1 external Audit involving AQIS functions was initiated. In 2002, 1 external review involving AQIS functions was initiated. In 2005, 1 external Audit involving AQIS functions was initiated.


(d) In 2000, 1 external Audit involving AQIS functions was completed. In 2001, 1 external Audit involving AQIS functions was completed. In 2003, 1 external review involving AQIS functions was completed. In 2005, 1 external Audit involving AQIS functions was completed.

(e) All external Audits were completed satisfactorily.

**AQIS Export Meat Programme: Overseas reviews of export registered processed food (dairy, fish, eggs) establishments**

**Fish Programme**

European Commission - 1 Audit

(a) The system Audit was initiated by the European Commission.

(b) The Audit commenced on 24 October 2000.

(c) Audit undertaken by the European Commission.

(d) The Audit was completed on 3 November 2000.

(e) The external Audit was completed satisfactorily.

**Dairy Programme**

Peru - 1 Audit

(a) The Audit was initiated by AQIS on behalf of Australian exporters who wanted to export to Peru.

(b) The Audit commenced on 7 February 2000.

(c) The system Audit undertaken by the Ministry of Agriculture of Peru.

(d) The Audit was completed on 11 February 2000.

(e) The external Audit was completed satisfactorily.

Chile - 3 inspections

(a) All three inspections were initiated by AQIS on behalf of Australian export establishments in order for these to be approved for export to Chile.


(c) Listing inspection undertaken by Chile Ministry of Agriculture.

(d) The Audits were completed on 25 February 2000, 14 December 2000 and 10 October 2003.

(e) All external Audits were completed satisfactorily.

European Commission - 2 Audits

(a) Both systems Audits were initiated by the European Commission.

(b) 9 November 2000 and 4 March 2005.
(c) Audits undertaken by the European Commission.
(d) The Audits were completed on 21 November 2000 and 15 March 2005.
(e) Both external Audits were completed satisfactorily.
United States of America Food and Drug Administration (USFDA) - 3 Audits.
(a) All three Audits were initiated by the USFDA.
(b) The Audits commenced on 4 May 2001, 4 August 2003 and 24 July 2006
(c) Audits undertaken by the USFDA.
(d) The Audits were completed on 1 June 2001, 20 August 2003 and 17 August 2006.
(e) All 3 external Audits were completed satisfactorily.
Brazil - 1 inspection
(a) The inspection was initiated by Australian export establishments in order to be approved for export to Brazil.
(c) Listing inspection undertaken by the Ministry of Agriculture and Supply, Brazil.
(d) The Audit was completed on 6 July 2001.
(e) The external Audit was completed satisfactorily.
Hong Kong - 1 Audit
(a) The Audit was initiated by AQIS on behalf of Australian exporters to Hong Kong.
(b) The Audit commenced on 24 February 2003.
(c) The system Audit undertaken by the Food and Environmental Hygiene Department of Hong Kong.
(d) The Audit was completed on 28 February 2003.
(e) The external Audit was completed satisfactorily.
Costa Rica - 1 inspection
(a) The inspection was initiated by Australian export establishments in order to be approved for export to Costa Rica.
(b) The Audit commenced in May 2004.
(c) Listing inspection undertaken by Costa Rica Ministry of Agriculture and Livestock.
(d) The Audit was completed on May 2004.
(e) The external Audit was completed satisfactorily.
Panama - 1 inspection
(a) The Audit was initiated by Australian export establishments in order to be approved for export to Panama.
(b) The Audit commenced on 22 August 2005.
(c) Listing inspection undertaken by Panama Department of Health and Department of Agriculture.
(d) The Audit was completed on 2 September 2005.
(e) The external Audit was completed satisfactorily.
**Eggs Programme**
Singapore - 1 Audit
(a) The system Audit initiated by both Australia and Singapore Agri-Food and Veterinary Authority.
(b) The Audit commenced on 5 June 2006.

QUESTIONS ON NOTICE
(c) Audit undertaken by Singapore Agri-food and Veterinary Authority.
(d) The Audit was completed on 9 June 2006.
(e) The external Audit was completed satisfactorily.

**AQIS Export Meat Programme:**

**1999-2000 Financial Year Audits**

(a) The Audit was initiated by the European Union.
(b) The Audit commenced on 11 November 1999.
(c) The Audit was undertaken by the European Commission: Health and Consumer Protection Directorate-General, Delegates.
(d) The Audit was completed on 23 November 1999.
(e) The Audit was completed satisfactorily.

(a) The Audit was initiated by Malaysia.
(b) The Audit commenced on 13 March 2000.
(c) The Audit was undertaken by Malaysia: Department of Veterinary Services (DVS), Delegates, Jabatan Kemajuan Islam Malaysia (JAKIM), Delegates.
(d) The Audit was completed on 23 March 2000.
(e) The Audit was completed satisfactorily.

**2000-2001 Financial Year Audits**

(a) The Audit was initiated by United States.
(b) The Audit commenced on 16 October 2000.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service (FSIS), Delegates.
(d) The Audit was completed on 3 November 2000.
(e) The Audit was completed satisfactorily.

(a) The Audit was initiated by the European Union.
(b) The Audit commenced on 9 November 2000.
(c) The Audit was undertaken by the European Commission: Health and Consumer Protection Directorate-General, Delegates.
(d) The Audit was completed on 21 November 2000.
(e) The Audit was completed satisfactorily.

**2001-2002 Financial Year Audits**

(a) The Audit was initiated by the United States.
(b) The Audit commenced on 2 August 2001.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 28 August 2001.
(e) The Audit was completed satisfactorily.

(a) The Audit was initiated by the United States.
(b) The Audit commenced on 27 February 2002.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 28 March 2002.
(e) The Audit was completed satisfactorily.
2002-2003 Financial Year Audits
(a) The Audit was initiated by Russia.
(b) The Audit commenced on 2 December 2002.
(c) The Audit was undertaken by Russia: Federal Agency of Veterinary and Phytosanitary Surveillance, Delegates.
(d) The Audit was completed on 17 December 2002.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Ukraine.
(b) The Audit commenced on 25 March 2003.
(c) The Audit was undertaken by Ukraine: Ministry of Agriculture, Delegates.
(d) The Audit was completed on 28 March 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Indonesia.
(b) The Audit commenced on 10 April 2003.
(c) The Audit was undertaken by Indonesia: Veterinary Public Health, Directorate General of Livestock Services, Delegates.
(d) The Audit was completed on 17 April 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by United States.
(b) The Audit commenced on 23 April 2003.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 5 June 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Russia.
(b) The Audit commenced on 26 May 2003.
(c) The Audit was undertaken by Russia: Federal Agency of Veterinary and Phytosanitary Surveillance, Delegates.
(d) The Audit was completed on 18 June 2003.
(e) The Audit was completed satisfactorily.

2003-2004 Financial Year Audits
(a) The Audit was initiated by Malaysia.
(b) The Audit commenced on 21 July 2003.
(c) The Audit was undertaken by Malaysia: Department of Veterinary Services, Delegates, Jabatan Kemajuan Islam Malaysia (JAKIM), Delegates.
(d) The Audit was completed on 13 August 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Indonesia.
(b) The Audit commenced on 12 October 2003.
(c) The Audit was undertaken by Indonesia: Veterinary Public Health, Directorate General of Livestock Services, Delegates.
(d) The Audit was completed on 23 October 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by China.
(b) The Audit commenced on 2 November 2003.
(c) The Audit was undertaken by China: Administration of Quality Supervision and Inspection and Quarantine (AQSIQ), Delegates, Certification and Accreditation Administration (CNCA), Delegates.
(d) The Audit was completed on 15 November 2003.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by the European Union.
(b) The Audit commenced on 19 January 2004.
(c) The Audit was undertaken by the European Commission: Health and Consumer Protection Directorate-General, Delegates, Food and Veterinary Office, Delegates.
(d) The Audit was completed on 29 January 2004.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Russia.
(b) The Audit commenced on 19 April 2004.
(c) The Audit was undertaken by Russia: Federal Agency of Veterinary and Phytosanitary Surveillance, Delegates.
(d) The Audit was completed on 3 May 2004.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by the United States.
(b) The Audit commenced on 17 June 2004.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 3 August 2004.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Canada.
(b) The Audit commenced on 27 June 2004.
(c) The Audit was undertaken by Canada: Canadian Food Inspection Agency, Delegates.
(d) The Audit was completed on 8 July 2004.
(e) The Audit was completed satisfactorily.

**2004-2005 Financial Year Audits**

(a) The Audit was initiated by China.
(b) The Audit commenced on 9 August 2004.
(c) The Audit was undertaken by China: State General Administration of Quality Supervision and Inspection and Quarantine (AQSIQ), Delegates, Certification and Accreditation Administration (CNCA), Delegates.
(d) The Audit was completed on 19 August 2004.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Taiwan.
(b) The Audit commenced on 20 September 2004.
(c) The Audit was undertaken by Taiwan: Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), Delegates.
(d) The Audit was completed on 24 September 2004.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by China.
(b) The Audit commenced on 20 February 2005.
(c) The Audit was undertaken by China: Import and Export Food Safety Bureau AQSIQ, Delegates.
(d) The Audit was completed on 25 February 2005.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by the European Union.
(b) The Audit commenced on 4 March 2005.
(c) The Audit was undertaken by the European Commission: Health and Consumer Protection Directorate-General, Delegates.
(d) The Audit was completed on 15 March 2005.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by the Republic of Korea.
(b) The Audit commenced on 29 March 2005.
(c) The Audit was undertaken by Korea: National Veterinary Research & Quarantine Service (NVRQS), Delegates.
(d) The Audit was completed on 9 April 2005.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Malaysia.
(b) The Audit commenced on 11 April 2005.
(c) The Audit was undertaken by Malaysia: Department of Veterinary Services, Delegates, Jabatan Kemajuan Islam Malaysia (JAKIM), Delegates.
(d) The Audit was completed on 6 May 2005.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by the United States.
(b) The Audit commenced on 26 May 2005.
(c) The Audit was undertaken by the United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 30 June 2005.
(e) The Audit was completed satisfactorily.

2005-2006 Financial Year Audits
(a) The Audit was initiated by Malaysia.
(b) The Audit commenced on 20 February 2006.
(c) The Audit was undertaken by Malaysia: Department of Veterinary Services, Delegates, JAKIM, Delegates Ministry of Ag & Agro Based Industry, Delegates.
(d) The Audit was completed on 23 February 2006.
(e) The Audit was completed satisfactorily.
(a) The Audit was initiated by Malaysia.
(b) The Audit commenced on 27 March 2006.
(c) The Audit was undertaken by Malaysia: Department of Veterinary Services, Delegates, Jabatan Kemajuan Islam Malaysia (JAKIM), Delegates.
(d) The Audit was completed on 31 March 2006.
(e) The Audit was completed satisfactorily.

(a) The Audit was initiated by Russia.
(b) The Audit commenced on 1 May 2006.
(c) The Audit was undertaken by Russia: Federal Agency of Veterinary and Phytosanitary Surveillance, Delegates.
(d) The Audit was completed on 12 May 2006.
(e) The Audit was completed satisfactorily.

(a) The Audit was initiated by the United States.
(b) The Audit commenced on 10 August 2006.
(c) The Audit was undertaken by United States: Food Safety Inspection Service, Delegates.
(d) The Audit was completed on 30 August 2006.
(e) The Audit was completed satisfactorily.

(6) No external consultants were engaged by DAFF. We do not know whether the ANAO or JCPAA engaged external consultants during their Audits and reviews.

Estimates Training Sessions
(Question No. 2162)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 14 July 2006:

(1) What Senate estimates training sessions have officers of the Minister’s departments and agencies attended in the past 3 financial years, by year.
(2) For each of the past 3 financial years: (a) how many officers participated in; and (b) what was the total cost of, training for Senate estimates, by department and agency and by financial year.
(3) Where training has been provided by a private provider, what was the name of the provider and the associated cost.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) The following training programs have had some relevance to the Senate estimates process:

<table>
<thead>
<tr>
<th>Department of Transport and Regional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>The Budget and the Senate Estimates Process</td>
</tr>
<tr>
<td>Nil</td>
</tr>
<tr>
<td>Nil</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
Civil Aviation Safety Authority

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>The Budget and the Senate Estimates Process and Parliament, Privilege and Accountability</td>
<td>Preparing to appear before a Parliamentary Committee and Senior Executive Service Orientation Program</td>
<td></td>
</tr>
</tbody>
</table>

Airservices Australia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td></td>
<td></td>
<td>Appearing at Senate Estimates Hearings</td>
</tr>
</tbody>
</table>

(2) (a) Number of officers who participated in the training sessions is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transport and Regional Services</td>
<td>3</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Civil Aviation Safety Authority</td>
<td>Nil</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Airservices Australia</td>
<td>Nil</td>
<td>Nil</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3</td>
<td>14</td>
<td>24</td>
</tr>
</tbody>
</table>

(b) Total cost of training courses is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transport and Regional Services</td>
<td>$630</td>
<td>$18,935</td>
<td>$14,180</td>
</tr>
<tr>
<td>Civil Aviation Safety Authority</td>
<td>Nil</td>
<td>$400</td>
<td>$7,700</td>
</tr>
<tr>
<td>Airservices Australia</td>
<td>Nil</td>
<td>Nil</td>
<td>$3,300</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>$630</td>
<td>$19,335</td>
<td>$25,180</td>
</tr>
</tbody>
</table>

(3) All training programs run by a private provider for the Department were conducted by Stone Wilson Consulting (ABN 20 197 835 709). The total cost of training through this provider was $16,835.

Airservices Australia staff attended one in-house two-day session also provided by Stone Wilson Consulting for $3,300.

All other training reflected in the costs in the table at part 2 (b) was provided by other Commonwealth Government agencies and the Department of the Senate.

Families, Community Services and Indigenous Affairs: Travel Entitlements

(Question No. 2222)

Senator O’Brien asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 14 July 2006:

(1) What entitlement do partners or family members of senior officers of the department, or agencies for which the Minister is responsible, have to travel at government expense.

(2) If an entitlement exists, by department and/or agency: (a) what process is used to assess whether the travel costs of partners or family members are met by the Government; (b) who undertakes such an assessment; and (c) who approves funding for partner or family travel.

Senator Kemp—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

Partners or family member of senior officers of the department do not have an automatic entitlement to travel at government expense.
While there is no automatic entitlement, the Secretary may authorise travel for a spouse/partner of an employee to accompany the employee on an overseas mission having regard to the employee’s classification and experience, the circumstances of previous overseas travel, the purpose and extent of the overseas travel, the duration of the travel, the period during which the travel was to occur and the official duties that the employee will be required to perform during the travel, including any representational responsibilities. The Secretary approves all overseas travel.

Within Australia, partners or family members of senior officers of the department may have an entitlement to travel at government expense in relation to travel to accompany a departmental staff member on a long term temporary transfer, permanent or term transfer to another location. Eligibility for such travel is determined in accordance with the provisions of the departmental certified agreement, the employee’s Australian Workplace Agreement and departmental policies. The Secretary or a delegate authorised by the Secretary approves the travel.

Wilderness Society
(Question No. 2406)

Senator Bob Brown asked the Minister representing the Attorney-General, upon notice, on 17 August 2006:

Has the Minister met with representatives of the Wilderness Society in the past 5 years; if so, on what dates.

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator’s question:

No.