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RADIO BROADCASTS

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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 Stephen Parry

Nations 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

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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 Transport and Regional Services and Deputy Prime Minister
Treasurer
Minister for Trade
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)
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 Services
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 to the Minister for Transport and Regional Services
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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Thursday, 9 November 2006

The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

NOTICES

Presentation

Senator O’Brien to move on the next day of sitting:

That there be laid on the table by the Minister representing the Minister for Transport and Regional Services, no later than 3.30 pm on Wednesday, 29 November 2006, a copy of:

(a) the reports of the November 2001, August 2004, February 2005 and February 2006 Civil Aviation Safety Authority (CASA) audits of Lessbrook Pty Ltd trading as Transair;
(b) the enforceable voluntary undertaking by Lessbrook Pty Ltd trading as Transair accepted by CASA in May 2006;
(c) all show cause notices issued by CASA to Lessbrook Pty Ltd trading as Transair since November 2001; and
(d) the written notice issued by CASA to Lessbrook Pty Ltd trading as Transair in October 2006 cancelling Transair’s Air Operator’s Certificate.

Senator Carr to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to ratify the Kyoto Protocol to the United Nations Framework Convention on Climate Change, and for related purposes. *Avoiding Dangerous Climate Change (Kyoto Protocol Ratification) Bill 2006 [No. 2].

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.31 am)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

- Anti-Money Laundering and Counter-Terrorism Financing Bill 2006
- Copyright Amendment Bill 2006
- Customs Legislation Amendment (New Zealand Rules of Origin) Bill 2006
- Environment and Heritage Legislation Amendment Bill (No. 1) 2006
- Inspector of Transport Security Bill 2006
- Medibank Private Sale Bill 2006

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

Leave granted.

The statements read as follows—

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING BILL 2006

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2006

Purpose of the bills

This “first tranche” of legislation repeals and replaces much of the Financial Transaction Reports Act 1988 and better implements parts of the revised (June 2003) Forty Recommendations of the OECD-based Financial Action Task Force on Money Laundering (FATF) and several of FATF’s Special Recommendations on Terrorist Financing. The remainder of the FATF Recommendations
(except for those implemented by other legislation) will be implemented via a future “second tranche” of legislation.

**Reasons for Urgency**

Passage of the bills is required in the 2006 Spring sittings to implement outstanding international obligations (arising out of Australia’s membership of FATF) to upgrade anti-money laundering and counter-terrorism financing measures.

(Circulated by authority of the Minister for Justice and Customs)

_____  

**CUSTOMS LEGISLATION AMENDMENT (NEW ZEALAND RULES OF ORIGIN) BILL 2006**

**Purpose of the bill**

The bill amends the Customs Act 1901, the Customs Tariff Act 1995 and the Legislative Instruments Act 2003 to incorporate consequential changes that will result from the amendment of Article 3 of the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) relating to Rules of Origin.

**Reasons for Urgency**

If the bill is not passed in the 2006 Spring sittings, Australia will be unable to meet its obligations to implement the amendments to Article 3 of the ANZCERTA on 1 January 2007.

(Circulated by authority of the Minister for Justice and Customs)

_____  

**COMMONWEALTH RADIOACTIVE WASTE MANAGEMENT LEGISLATION AMENDMENT BILL 2006**

**Purpose of the bill**

The bill amends the Commonwealth Radioactive Waste Management Act 2005 (CRWM Act) to:

- provide, should a nominated site ultimately be chosen for the Commonwealth Radioactive Waste Management Facility (CRWMF), for the Commonwealth to return the nominated site to its original owners when it is no longer required.

The bill also amends the Administrative Decisions (Judicial Review) Act 1977 to:

- exclude the application of the Act to a site nomination under section 3A of the CRWM Act to ensure consistency with existing provisions of the Act relating to sections 3C and 7 of the CRWM Act.

**Reasons for Urgency**

The bill addresses concerns raised by the Northern Land Council (NLC) in relation to nominating a site under the CRWM Act. If not addressed, the NLC may be unwilling to nominate a site should a community within its jurisdiction wish to volunteer its land.

Any nominated site needs to be included in the current CRWMF site characterisation programme as soon as possible to ensure that such a site is given adequate consideration within the current CRWMF project schedule.

(Circulated by authority of the Minister for Education, Science and Training)

_____  

**ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL (NO. 1) 2006**

**Purpose of the bill**

The bill implements the government’s decision to make the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) more efficient and effective, to allow for the use of more strategic approaches and to provide greater certainty in decision-making.

In particular, the bill:

- reduces processing time and costs for development interests;
- provides an enhanced ability to deal with large-scale projects and give priority attention to projects of national importance through the use of strategic assessment and approvals approaches and putting in place
measures to enable developers to avoid impacts on the matters of national environmental significance protected by the EPBC Act;
• enables a better focus on protecting threatened species and ecological communities and heritage places that are of real national importance; and
• clarifies and strengthens the enforcement provisions of the EPBC Act.
These changes will be made without weakening the protection that the EPBC Act provides for Australia’s biodiversity and heritage.

Reasons for Urgency
Passage of the bill is required in the 2006 Spring sittings to ensure that these critical amendments can commence operation on 1 January 2007. The amendments will provide the necessary regulatory framework to provide streamlined and certain decision-making under the EPBC Act along with more focused environmental protection and enhanced enforcement provisions.

(Circulated by authority of the Minister for the Environment and Heritage)

COPYRIGHT AMENDMENT BILL 2006
Purpose of the bill
The bill contains provisions to implement Australia’s remaining obligations under the Australia-United States Free Trade Agreement (AUSFTA) concerning intellectual property rights. It creates a liability scheme for certain activities relating to the circumvention of “effective technological measures”. These measures help protect copyright owners from piracy and will encourage the increased availability to consumers of copyright materials in digital form.

The AUSFTA sets out a number of permissible exceptions to the liability scheme for:
• interoperability of software
• studying encryption technology
• testing security of computer networks
• identifying and disabling "spyware"
• security, law enforcement and similar governmental purposes, and
• access for acquisition decisions by libraries, archives and educational institutions.

The AUSFTA also provides for additional limited exceptions where the case for such an exception has been demonstrated. The bill amends the Copyright Act 1968 to give effect to the liability scheme and the exceptions. Additional limited exceptions will be included in the Copyright Regulations on a case by case basis. A number will be included as a result of the House of Representatives Standing Committee on Legal and Constitutional Affairs “Review of TPM Exceptions”.

The bill also implements the outcomes of several copyright reviews conducted by the government in 2005-06, including the outcome of the “Fair Use Review” and the review of protection for encoded broadcasts. The bill also extends the jurisdiction of the Copyright Tribunal, makes amendments so that Australia can accede to the World Intellectual Property Organization Internet treaties and makes a range of changes to the enforcement provisions in the Copyright Act.

Reasons for Urgency
The Australia-United States Free Trade Agreement came into force on 1 January 2005. However, an additional two year period was granted for the commencement of the provisions relating to the liability scheme for the circumvention of effective technological measures. Those provisions, which will be given effect to by this bill, must commence on 1 January 2007.

(Circulated by authority of the Attorney-General)

TELECOMMUNICATIONS AMENDMENT (INTEGRATED PUBLIC NUMBER DATABASE) BILL 2006
Purpose of the bill
The bill clarifies arrangements for access to data contained in the Integrated Public Number Database (IPND).

Reasons for Urgency
The current regime under the Telecommunications Act 1997 for access to data held in the IPND is under pressure to balance the privacy of personal information on the database with the need to make information in the IPND available for
Demand for access to IPND data continues to grow due to its recognition as an accurate and up-to-date source of information. There are, however, reports of data sourced from the IPND also being used for inappropriate purposes, such as the illegitimate production of public number directories and debt collection activities.

Introduction and passage of the bill in the 2006 Spring sittings will allay increasing community and industry concerns about current access arrangements to the IPND.

The bills provide for the role of the Inspector of Transport Security to:
- undertake an inquiry, when required by the Minister for Transport and Regional Services (the Minister), into:
  - a major transport security incident;
  - a pattern or series of incidents that point to a systemic failure or possible weakness of aviation or maritime transport security regulatory systems; or
  - any other transport security matter;
- undertake an inquiry, when required by the Minister, into a major land transport security incident, subject to agreement of the relevant state or territory government; and
- report outcomes of an inquiry to the Minister in a reasonable timeframe.

On 12 September 2006, the Government announced its intention to sell Medibank Private Limited through a share market float in 2008. The legislation is essential to the sale of the Commonwealth’s shares in Medibank Private Limited, and the sale timetable is dependent upon the legislation being enacted.

The new security treaty with Indonesia, with particular reference to:
(a) the long-term defence and security implications for Australia;
(b) the civil and political rights, in particular the rights of free speech and political activity of Australians and Indonesians, in particular, West Papuans;
(c) the long-term implications for Australia of the proposals relating to nuclear technology;
(d) Australia’s international treaty obligations; and
(e) any related matters.

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

That the Senate supports the following resolution of Newcastle City Council:

Newcastle City Council recognises the urgent need to protect local and global environments from increasing greenhouse gas emissions and to reduce Newcastle’s role in that increase.

Therefore Newcastle City Council:

1. Recommends that the NSW Government establishes a cap on coal exports from Newcastle at existing levels.
2. Recommends that the NSW Government initiates an independent Inquiry into the environmental, social and economic sustainability of the current coal industry and proposed expansion of the Hunter Valley coal industry.
3. Recommends that pending such an Inquiry, the NSW Government initiates a moratorium on new coal mine approvals at Anvil Hill and elsewhere in NSW.
4. Calls on the NSW and Federal Governments to establish a mandatory renewable energy target of 25% by 2020, with 20% by 2014 as a first step, in keeping with targets set by the South Australian Government.
5. Calls on the NSW Government to establish a contribution of 10c/tonne on coal exports through the Port of Newcastle to fund a community trust to be administered through Hunter Councils, to support a transition to a clean energy economy in the Hunter and to invest in local renewable energy projects.
6. Calls on the NSW Government to build a more efficient public transport system in the Hunter, linking major regional cities defined in the Lower Hunter Regional Strategy.

Senator Nettle to move on the next day of sitting:

That the Senate—

(a) notes:
(i) the tragic shooting of two protesters and one journalist by gunmen participating in the attack on striking teachers and their supporters in the City of Oaxaca in Mexico on 27 October 2006,
(ii) that one of those killed, Mr Bradley Roland Will, was a camera man working for the independent news group Indymedia, and
(iii) that these killings bring the number of protesters shot and killed by security forces to at least six during this 6 month protest; and
(b) calls on the Government to:
(i) condemn the use of lethal force against journalists, teachers and protesters by Mexican authorities,
(ii) urge the Mexican Government to bring to justice all those involved in the killings of the protesters in Oaxaca, and
(iii) express its condolences to the families of those killed.

BUSINESS

Rearrangement

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

That the following government business orders of the day be considered from 12.45 pm till not later than 2 pm today:

No. 7 Australian Participants in British Nuclear Tests (Treatment) Bill 2006
Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Bill 2006
Maritime Legislation Amendment (Prevention of Pollution from Ships) Bill 2006
No. 8 Housing Loans Insurance Corporation (Transfer of Pre-transfer Contracts) Bill 2006
Housing Loans Insurance Corporation (Transfer of Assets and Abolition) Repeal Bill 2006

No. 9 Defence Force (Home Loans Assistance) Amendment Bill 2006

No. 10 National Cattle Disease Eradication Account Amendment Bill 2006

No. 11 Environment and Heritage Legislation Amendment (Antarctic Seals and Other Measures) Bill 2006

No. 12 Export Finance and Insurance Corporation Amendment Bill 2006

Question agreed to.

Rearrangement

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

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

(1) general business notice of motion no. 623 standing in the name of Senator Sherry relating to inflation and interest rates; and

(2) consideration of government documents.

Question agreed to.

PARLIAMENTARY ZONE

Approval of Works

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.35 am)—At the request of Senator Santoro, I move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the design of artworks and post mounted light at Reconciliation Place.

Question agreed to.

BUSINESS

Consideration of Legislation

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.36 am)—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Maritime Legislation Amendment (Prevention of Pollution from Ships) Bill 2006, allowing it to be considered during this period of sittings.

Question agreed to.

VIETNAM

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.36 am)—I, and also on behalf of Senator Bartlett, move:

That the Senate—

(a) notes that:

(i) Vietnam today is still a one-party state, where basic human rights are abused, and many political dissidents are gaolled or put under house arrest because of their peaceful demand for freedom and democracy,

(ii) widespread corruption in all levels of government in Vietnam may see Australian aid to Vietnam abused and wasted,

(iii) recently, there has been a growing pro-democracy movement in Vietnam, initiated by a group of 118 Vietnamese citizens known as the Bloc 8406, named after the date of 8 April 2006 when they openly declared a Manifesto on Freedom and Democracy for Vietnam demanding a peaceful transition to a pluralistic and democratic Vietnam, and

(iv) a free and democratic Vietnam, with independent legislative and judicial systems, would make Vietnam a better and more reliable trading partner to Australia, where Australian investment would be more secure;

(b) supports the aspiration for freedom and democracy of the Vietnamese people expressed through the Manifesto of Bloc 8406, which is consistent with the principles upheld by the Australian Parliament; and

CHAMBER
(c) calls on the Government of the Socialist Republic of Vietnam to observe human rights, and practise good governance to eradicate corruption and to listen to the aspiration of its people, and make appropriate changes to return freedom and democracy to Vietnam.

Question put.

The Senate divided. [9.41 am]

(The President—Senator the Hon. Paul Calvert)

Ayes............ 7
Noes............. 47
Majority........ 40

AYES
Allison, L.F.  Bartlett, A.J.J.
Brown, B.J.  Murray, A.J.M.
Nettle, K.  Siewert, R. *
Stott Despoja, N.

NOES
Adams, J.  Barnett, G.
Bernardi, C.  Bishop, T.M.
Brown, C.L.  Calvert, P.H.
Carr, K.J.  Chapman, H.G.P.
Colbeck, R.  Crossin, P.M.
Eggleston, A.  Ellison, C.M.
Evans, C.V.  Faulkner, J.P.
Ferguson, A.B.  Ferris, J.M. *
Fierravanti-Wells, C.  Fifield, M.P.
Hogg, J.J.  Humphries, G.
Hurley, A.  Kirk, L.
Lightfoot, P.R.  Ludwig, J.W.
Landy, K.A.  Macdonald, I.
Marshall, G.  McEwen, A.
McGauran, J.J.  McLucas, J.E.
Moore, C.  Nash, F.
O’Brien, K.W.K.  Parry, S.
Patterson, K.C.  Payne, M.A.
Polley, H.  Ray, R.F.
Ronaldson, M.  Sherry, N.J.
Stephens, U.  Sterle, G.
Troeth, J.M.  Trood, R.B.
Watson, J.O.W.  Webber, R.
Wortley, D.

* denotes teller

Question negatived.
Fielding, S.  Hogg, J.J.
Hurley, A.  Hutchins, S.P.
Kirk, L.  Ludwig, J.W.
Lundy, K.A.  Marshall, G.
McEwen, A.  McLucas, J.E.
Moore, C.  Murray, A.J.M.
Nettle, K.  O’Brien, K.W.K.
Polley, H.  Ray, R.F.
Sherry, N.J.  Siewert, R.
Stephens, U.  Sterle, G.
Stott Despoja, N.  Webber, R. *
Wortley, D.

NOES
Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Boswell, R.L.D.  Calvert, P.H.
Chapman, H.G.P.  Colbeck, R.
Eggleston, A.  Ellison, C.M.
Ferguson, A.B.  Ferris, J.M. *
Fierravanti-Wells, C.  Fifield, M.P.
Heffernan, W.  Humphries, G.
Joyce, B.  Kemp, C.R.
Lightfoot, P.R.  Macdonald, I.
Macdonald, J.A.L.  McGauran, J.J.J.
Minchin, N.H.  Nash, F.
Parry, S.  Patterson, K.C.
Payne, M.A.  Ronaldson, M.
Santoro, S.  Scullion, N.G.
Troeth, J.M.  Trood, R.B.
Watson, J.O.W.

PAIRS
Campbell, G.  Mason, B.J.
Conroy, S.M.  Coonan, H.L.
Faulkner, J.P.  Vanstone, A.E.
Forsyth, M.G.  Brandis, G.H.
Milne, C.  Campbell, I.G.
Wong, P.  Johnston, D.

* denotes teller

Question negatived.

**GWYDIR WETLANDS**

Senator SIEWERT (Western Australia) (9.51 am)—I move:
That the Senate—
(a) notes that:
(i) there have been calls by land owners in the Gwydir Ramsar-listed wetland for it to be de-listed as a Ramsar site be-

cause the federal and New South Wales governments have let it die,
(ii) the World Wide Fund for Nature intends to raise this issue at the Standing Committee of the Ramsar Convention when it meets in February 2007,
(iii) the Gwydir wetlands have received little water in 10 years despite promises from state and federal governments to provide water to retain the site’s value, and
(iv) water to the Gwydir wetland has been reduced by up to 75 per cent; and

(b) calls on state and federal governments to protect this important wetland site.

Question put.
The Senate divided. [9.52 am]
(The President—Senator the Hon. Paul Calvert)

<table>
<thead>
<tr>
<th>AYES</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>54</td>
</tr>
<tr>
<td>Majority</td>
<td>46</td>
</tr>
</tbody>
</table>

AYES
Allison, L.F.  Bartlett, A.J.J.
Brown, B.J.  Fielding, S.
Murray, A.J.M.  Nettle, K.
Siewert, R. *  Stott Despoja, N.

NOES
Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Bishop, T.M.  Boswell, R.L.D.
Brown, C.L.  Calvert, P.H.
Carr, K.J.  Chapman, H.G.P.
Colbeck, R.  Crossin, P.M.
Eggleston, A.  Ellison, C.M.
Evans, C.V.  Ferguson, A.B.
Ferris, J.M. *  Fierravanti-Wells, C.
Fifield, M.P.  Heffernan, W.
Hogg, J.J.  Humphries, G.
Hurley, A.  Hutchins, S.P.
Joyce, B.  Kemp, C.R.
Kirk, L.  Lightfoot, P.R.
Ludwig, J.W.  Lundy, K.A.
Mcdonald, J.A.L.  Marshall, G.
McEwen, A.  McGauran, J.J.J.
McLucas, J.E.  Minchin, N.H.
Thursday, 9 November 2006

**SENATE**


* denotes teller

**WEST PAPUA**

**Senator NETTLE (New South Wales)**

(9.56 am)—I move: 

That the Senate—

(a) notes that:

(i) the security treaty, Framework Agreement for Security Cooperation, between Australia and Indonesia has been agreed to by the two governments,
(ii) a recent poll found 77 per cent of Australians supported self-determination for West Papua,
(iii) the treaty will commit Australia to opposing West Papuan self-determination, and
(iv) the treaty also envisages increased defence cooperation with the Indonesian security forces; and

(b) calls on the Government not to sign the treaty and instead express support for West Papua’s right to self-determination.

Question put.

The Senate divided.  [9.58 am]

(The President—Senator the Hon. Paul Calvert)

Ayes........... 6  
Noes.......... 54  
Majority....... 48

**AYES**


**NOES**


* denotes teller

Question negatived.

**MIGRATION LEGISLATION AMENDMENT (RESTORATION OF HUMAN RIGHTS) BILL 2006**

First Reading

**Senator BARTLETT (Queensland)**

(10.01 am)—I move:

That the following bill be introduced: A Bill for an Act to amend the Migration Act 1958 to restore the application of the Human Rights and Equal Opportunity Commission Act 1986 to immigration detainees, and for related purposes.

Question agreed to.

**Senator BARTLETT (Queensland)**

(10.02 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 BARTLETT (Queensland) (10.02 am)—I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard and to table an explanatory memorandum relating to the bill.

Leave granted.

The speech read as follows—

This Private Senator’s Bill is one of a number of Migration Act Amendment Bills which I am tabling in the course of this year. This bill seeks to remove the unfair provisions which were imposed by the Migration Legislation Amendment Act (No. 2) 1998 (the Act) which prevented the Human Rights and Equal Opportunities Commission (HREOC), among others from giving legal advice or assistance to detainees unless a specific request is made.

The fundamental issue that the Democrats opposed when this measure was adopted was the basic principle of ensuring that people are able to access their legal rights and know what rights they actually have.

The genesis of the current legislative provisions was largely a response by the government to a decision of the Federal Court in the Human Rights and Equal Opportunity Commission (HREOC) v. Department of Immigration and Multicultural Affairs (DIMA) 1996.

I believe that these provisions in the existing law are a breach of Australia’s basic human rights obligations. It is preposterous to assume that newly arrived persons would have an intimate knowledge of how our legal system works and would automatically know to contact organisations like HREOC to seek legal advice.

Numerous refugee organisations who regularly work with newly arrived detainees have expressed concern about the ramifications of requiring people to specifically request legal advice from human rights bodies such as HREOC. What this has done is to deny some detainees access to the services, organisations and legal assistance altogether. This is because of the barriers most new arrivals face as a result of the inhumane practices they have experienced in their countries of origin and the fact that they often speak little or no English. A result of this has been the detention of permanent resident Cornelia Rau whose mental health issues impacted on her ability to realise she had the right to request legal assistance.

There have also been numerous accounts of detainees who are only aware of the existence of legal organisations through word of mouth from other detainees. This is particularly problematic in cases such as a Burmese detainee in Villawood I met with who had limited command of English and there were no other Burmese people in detention who he was able to communicate with. Many detainees seeking refugee status would be unaware that the legal and human rights organisations exist at all, let alone be in a position to consider exercising their right to access these services.

It is important to emphasise that many people in this situation have been through considerable hardship and suffering already. They have endured in some cases extremely difficult personal situations where they have had to abandon their families, their homes and their country to escape from persecution or to escape the horrors of war. Most of them then endure a dangerous journey to get to this country and are then placed in detention which is most probably in a situation that they did not expect to be in.

What this legislation has done is to put an extra barrier in their way to finding out what their rights are. It is all the more reprehensible to make it harder for them to find out what their legal rights are and to access those legal rights. It is a curious and very dangerous principle. From the Democrats’ perspective, we do not see why a principle such as that should be applied in migration legislation or in legislation that impacts on people in detention in Australia and not on other people in the community—whether in Australia or throughout the world.

People have basic legal rights within Australia. That is something that, as a society and as a parliament, we try to ensure. As a country and as a society, we have signed on to, recognise and, I presume, support basic human rights principles
and international legal obligations, not just through international covenants but through the understanding that, as a society, we support basic principles such as people having access to information about their legal rights.

This provision in the Migration Act is a fundamental breach of human rights which the Democrats are strongly opposed to.

I commend this bill to the Senate.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**MIGRATION LEGISLATION AMENDMENT (DURATION OF DETENTION) BILL 2006**

*First Reading*

Senator BARTLETT (Queensland) (10.03 am)—I move:

That the following bill be introduced: A Bill for an Act to amend the *Migration Act 1958* to allow the issue of interim orders for the release of detainees, and for related purposes.

Question agreed to.

Senator BARTLETT (Queensland) (10.03 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 BARTLETT (Queensland) (10.03 am)—I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard* and to table an explanatory memorandum relating to the bill.

Leave granted.

*The speech read as follows—*

This Private Senator’s Bill is one of a number of Migration Act Amendment Bills which I am tabling in the course of this year. This bill seeks to remove the provisions introduced by the Migration Amendment (Duration of Detention) Act 2003 which prevents and limits courts from ordering the release of somebody from immigration detention whilst an appeal seeking their release is before the courts. This legislation was prompted by several cases where such release has been ordered by the Federal Court, the most notable example being the Al Masri case.

The effect of this provision means that any person whom the courts believe should be released from immigration detention is now required to stay in detention whilst the government appealed it through every possible avenue. This is particularly ironic given that the Government is particularly vocal about the volume of cases before the courts and introduced further legislation to further restrict asylum seekers appeal rights.

We must recognise that it is not acceptable for people to be stuck in situations where they are left languishing in detention centres without any charge being brought against them, let alone being convicted of any crime. That can occur because of the legal fiction that detention is for administrative purposes, necessary for processing their claim and resolving their status as an unlawful non-citizen. It has also been held that detention is not punitive, despite the frequent statements by government Ministers that it serves as a deterrent, and the ample evidence of major harm that is done to people subjected to long-term detention.

The Democrats oppose provisions which take authority and jurisdiction away from the courts in determining whether or not people should be locked up and for how long.

We believe that any removal of the jurisdiction of the courts to determine whether or not people should be imprisoned for prolonged periods is inappropriate. The ‘legality’ of mandatory detention under international law has been widely canvassed.

It has been argued that mandatory detention is contrary to the prohibition on unnecessarily restricting the movement of and/or penalising bona fide asylum seekers in the Convention Relating to the Status of Refugees (Refugee Convention Article 31).
Also it has been argued that it is contrary to the prohibitions on cruel, inhuman and degrading punishment in the International Covenant on Civil and Political Rights (ICCPR Article 7) and the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT—Article 16).

I take issue with the inherent problems with any piece of legislation that seeks to interfere with the jurisdiction of the courts to determine whether or not people should be free.

We cannot continue to treat asylum seekers like criminals and lock them up indefinitely. We cannot approach this punitively and seek to punish those who were not afforded possible channels of obtaining a visa into Australia because of the fact that they were fleeing persecution, have faced unquestionable trauma, or have lost their wives, husbands and children.

The Democrats are fundamentally opposed to indefinite detention and commend this bill to the Senate.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MR DAVID HICKS

Senator JOYCE (Queensland) (10.04 am)—I move:

That the Senate notes:

(a) that on 28 September 2006 the United States Congress passed the Military Commissions Act 2006;
(b) that on 17 October 2006 President George W Bush signed the Act into law;
(c) that the Act provides a congressional basis for trial by military commission;
(d) that the Act incorporates a number of procedural safeguards including:
   (i) the presumption of innocence,
   (ii) a right to be present throughout the trial,
   (iii) a right to cross-examine prosecution witnesses,
   (iv) a ban on evidence obtained by torture,
   (v) the provision of military defence counsel,
   (vi) the ability to retain civilian defence counsel,
   (vii) the option to remain silent or testify at trial,
   (viii) standard of proof beyond reasonable doubt, and
   (ix) an extensive appeals process;
(e) that Mr David Hicks is yet to be charged under the Act; and
(f) that the Government continues to press the United States for Mr Hicks’ case to be dealt with expeditiously and fairly.

Senator LUDWIG (Queensland) (10.04 am)—by leave—It is worthwhile putting on the record Labor’s position on this issue. Labor have consistently argued that the United States military commissions will not afford a standard of justice that should be acceptable for Australian citizens. We have been very critical of the Howard government’s failure to demand a fair trial for Mr Hicks. Labor’s view has been that the Australian government should demand that Mr Hicks be tried through a normal judicial process with proper rules of evidence, independent presiding officers and an independent avenue of appeal. In our view, a normal court martial or a trial by a US civilian court would be suitable, depending on whether the US accuses Mr Hicks of war crimes, of crimes against humanity or of breaking American domestic law.

Unfortunately, the motion that Senator Joyce is proposing today is in stark contrast to his comments on Friday when he was reported as saying that he:

... had been impressed by Major Mori’s presentation and had grave concerns about the prospect of Mr Hicks getting a fair trial. ‘I think it is now time that people do stand up and start saying “enough is enough”. The process has not been followed,’ Senator Joyce said. ‘Our respect for the process of law should be what engenders our support to bring David Hicks ... back to Australia for trial.’
I suspect Senator Joyce had an epiphany on Friday, but it seems that has been turned around since then.

**Senator STOTT DESPOJA** (South Australia) (10.06 am)—by leave—The position of the Australian Democrats is very clear on this issue. We will not be supporting the motion. The attempt to put forward what are perceived as virtues in the Military Commissions Act 2006 that has been passed in the United States when there are such glaring inadequacies and deficiencies in it and in the military commission process is not something that we will be supporting.

Without wanting to reflect on a decision of the Senate, I note the closeness of the vote on the Democrat motion that we had this morning. That motion made very clear the fundamental problems with the Military Commissions Act and the fundamental breaches of humanitarian law and the Geneva Convention. I, like Senator Ludwig, was heartened by the comments from Senator Joyce—I was one of the first to happily congratulate him on his comments. I think we are starting to see a change in opinion not only in our community but also among members of parliament on all sides in relation to this fundamental breach of a man’s human rights and citizenship rights and this fundamental breach of international humanitarian law. This motion, I am afraid, is aiding and abetting a process that is flawed. We will not be supporting the motion, but I do thank those members of the Senate, including the Greens, the Labor Party and Senator Fielding, for their support of the Democrat motion moved earlier today that actually did list the huge and glaring deficiencies in the Military Commissions Act.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (10.07 am)—by leave—I too want to express both frustration and disapproval of the process underway here with this motion. The motion from Senator Joyce effectively gives approval to a dastardly process, which has seen the Australian government take an obsequious role to the Pentagon in allowing an Australian citizen to be treated in a way no American citizen would be allowed to be treated if incarcerated by an Australian government and in a way that American citizens in Guantanamo Bay have not been treated—they were sent years ago to face American domestic courts. At the joint sitting of this parliament nearly four years ago, when President Bush was present, we Greens called for a proper and equal process for the Australians in Guantanamo Bay.

Habeas corpus says that prisoners under our system should be charged and brought before a court with expedition. That fundamental tenet of law has been totally abrogated in this process. This motion would enable the government to get approval for a process which is without legal merit and which breaches international covenants and the rights of an Australian citizen abroad who has been held unjustly. The basic tenet here is that the Australian judicial system is in some way second-rate to that in the United States. The Greens have never maintained that. We will never accede to that. It is not true. It is time the Australian government showed some pride in this nation’s own judicial system by bringing Hicks home and having him appropriately charged. Finally, I remind the Senate that the Labor Party supported the government in recognising military commissions into Australian law, and it is high time that was again removed from the Australian legal statutes.

**Senator JOYCE** (Queensland) (10.10 am)—by leave—I would briefly like to say that I, probably more than a lot of other people, understand that you have to move towards a position of possibility rather than
shoot for the stars and achieve nothing. I think the issue here is that we should get this process moving along, and that is what is happening.

I take on board the views that have been so passionately bestowed on us by Senator Brown, yet I do not remember receiving a phone call from him on this. I take on board the views that have been so passionately expounded by Senator Ludwig, but I do not remember getting a phone call from him. The possibility was there if they genuinely believed that changes were required to deal with it. In fact, no-one from the Labor Party and no-one from the Greens called me. That is the difference between the rhetoric and the facts.

**Senator Nettle** (New South Wales) (10.11 am)—by leave—I move:

At the end of the motion, add:

(g) the Government’s failure to return Mr Hicks home after nearly 5 long years in Guantanamo Bay.

**Senator Joyce** (Queensland) (10.12 am)—by leave—Does that mean that the Greens now agree with the rest of the motion?

Question put:

That the amendment (Senator Nettle’s) be agreed to.

The Senate divided. [10.17 am]

(The President—Senator the Hon. Paul Calvert)

<table>
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<tr>
<th>Ayes</th>
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**NOES**

Adams, J.  Barnett, G.
Bishop, T.M.  Brown, C.L.
Calvert, P.H.  Carr, K.J.
Chapman, H.G.P.  Colbeck, R.
Crossin, P.M.  Eggleston, A.
Ferris, J.M.  Fierravanti-Wells, C.
Fifield, M.P.  Heffernan, W.
Hogg, J.J.  Humphries, G.
Hurley, A.  Hutchins, S.P.
Joyce, B.  Kirk, L.
Lightfoot, P.R.  Ludwig, J.W.
Lundy, K.A.  Macdonald, I.
Macdonald, J.A.L.  Marshall, G.
McEwen, A.  McGauran, J.J.
McLucas, J.E.  Moore, C.
Nash, F.  Patterson, K.C.
Payne, M.A.  Polley, H.
Ray, R.F.  Scullion, N.G. *
Stephens, U.  Sterle, G.
Tood, R.B.  Watson, J.O.W.
Webber, R.  Wortley, D.

* denotes teller

Question negatived.

Original question agreed to.

**Senator Bob Brown**—I record my opposition to the motion for the reasons I stated earlier.

**BUDGET**

Consideration by Estimates Committees

**Additional Information**

**Senator Scullion** (Northern Territory) (10.21 am)—At the request of the chairs of the respective committees, I present additional information received by committees relating to estimates as follows:

Additional estimates 2005-06—

Economics Legislation Committee—

Additional information received between 16 August and 2 November 2006—

Treasury portfolio.

Legal and Constitutional Legislation Committee—

Additional information received between October and November 2006—

Attorney-General’s portfolio.
Senator SCULLION (Northern Territory) (10.20 am)—At the request of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Payne, I table a document relating to the performance of the Australian Federal Police.

Publications Committee

Report

Senator SCULLION (Northern Territory) (10.21 am)—On behalf of Senator Barnett, I present the 17th report of the Standing Committee on Publications.

Ordered that the report be adopted.

Rural and Regional Affairs and Transport Committee

Reference

Senator SIEWERT (Western Australia) (10.22 am)—I, and also on behalf of Senator Milne, move:

That the following matters be referred to the Rural and Regional Affairs and Transport Committee for inquiry and report by 30 June 2007:

(a) the long-term impacts on Australian primary producers, rural communities and the environment of reduced and increasingly variable rainfall, increased temperatures and higher evaporation rates as a result of climate change; and

(b) potential adaptation strategies to mitigate these impacts to ensure the security of Australian food production and maintain the viability of rural communities.

This referral is about a topic of utmost importance to Australia. There has been mounting evidence for over two decades that climatic patterns in our agricultural zones are shifting. We have seen a long-term shift across a range of climatic measures, including annual rainfall, seasonality, the degree of variability both within and between seasons, higher average minimum and maximum temperatures and more extreme weather events. The impacts of these changes have a cumulative effect. For instance, higher temperatures increase evaporation rates, which combine with lower rainfall to further reduce the amount of water in storage. Furthermore, small reductions in rainfall have been shown to lead to much larger decreases in run-off. For example, in south-west WA, a 21 per cent decrease in rainfall has led to a 64 per cent decrease in stream flows and run-off. The south-west of WA is arguably one of the first places to feel the impact of climate change and also one of the first to acknowledge this and begin to take steps to secure its water resources. I have referred to this in this place on other occasions.

More recently, the Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into water has heard evidence from the CSIRO that climate change is the biggest threat to the Murray-Darling Basin. We have also heard from the Murray-
Darling Basin Commission that there is serious risk—and this has been in the media extensively recently—that a number of the water storages in the basin will bottom out by May next year and that some of our town water supplies in this region will be in crisis. It is worth noting yet again that when CSIRO released its report into the impact of climate change on the Murray-Darling Basin it was accused of scaremongering.

Despite warnings from the Murray-Darling Basin Commission that we have had the lowest rainfall on record in the last four months, governments have failed to act. A national water summit did not happen until this week, so we have had the tragic situation where many farmers poured out tonnes of water just recently to establish their summer crops when it was too late. Why weren’t they warned earlier that they should not in fact be preparing their soil for summer crops? Not only have they been given false hope; a lot of water has been used that could have been saved. They have invested in getting crops going, and now, if they have already planted, they will have to sit and watch them die or acknowledge the fact that they have accidentally wasted water. Now we have the farcical situation of the PM saying that he is thinking about draining wetlands to ensure town supplies. Hasn’t he got that a little bit back to front?

We have apparently broken all records this year for the hottest and driest season. We have had the lowest monthly rainfall in the basin for four months running. In some areas, we are now entering the sixth year of drought. This is arguably a combination of an extended dry cycle comparable to the Federation drought on top of a longer term shift in climate. What we can be sure of is that there is little to no chance of ever returning to business as usual. We need to be thinking on the basis of a much harder worst-case scenario in the future and we need to be prepared in a way that gives us much greater flexibility to react in a way that minimises the risks and guarantees that water needed for the drinking supplies of towns and cities and water needed to ensure the survival of our environment is available. The point is that we have seen this coming for a long time, but governments collectively have failed to act.

This will be the biggest issue facing Australian agriculture over the next 20 to 30 years. In fact, it is not just the Greens who think that. If you look at the National Farmers Federation 2003 report on this issue you will see that they acknowledged the same thing. We have a narrow window of opportunity in which to act. Unfortunately, we have lost the lead time that we could have had. Australian farmers are an adaptable and resilient mob. They are the world leaders in terms of levels of innovation, ongoing productivity gains and the rate at which they adopt new farming technologies. They are also acknowledged internationally for their ability to make a go of agricultural production in a harsh and variable climate, with some of the oldest, sandiest and nutrient-limited soils on the planet.

Our dry land farmers in particular are very good at managing the risks of a variable climate. In fact, there is good evidence that WA wheat belt farmers have done exactly that over the last 30 years. They have managed to deliver modest productivity gains over a period during which we have in hindsight identified a 10 per cent to 20 per cent decrease in winter rainfall. Records from 59 broadacre family businesses in the WA southern agricultural region show that between 1995 and 2002 these farmers on average increased their net worth and farm profits in spite of trends of decreasing growing season rainfall and higher average daily temperatures leading to more evaporation during the growing season. However, there are limits to how far
current strategies for dealing with climate variability can go to help our farmers adapt to climate change and there are serious risks in continuing along this path in the face of a long-term shift in conditions.

The main point here is that we have to start to act now and put a serious amount of effort and Aussie ingenuity—together with the scientific expertise of CSIRO and our agricultural researchers, backed up by rural industry RDCs—into turning this issue around to maintain productivity and growth in our agricultural sectors. We can do this if we put serious effort and serious resources into this now. It is urgent that we act now because of the serious time lag involved in applying research and development. We need five, 10 or 15 years, depending on the particular issue. For example, if we were developing a new species to produce in agriculture, we would need to identify it, develop productive varieties, adapt it to meet regional needs, develop the process machinery, integrate it into profitable farming systems and enterprises, set up the regional demonstration initiatives, make information resources available to farmers et cetera.

But we no longer have that amount of time. Ten or 15 years ago, when we first started talking about the impact of climate change, we probably had the time, but the issue was not seen then to be pressing enough to get it into the political will. Unfortunately, however, a lot of people are now suffering from the impacts of climate change—before we have seriously addressed this issue. We now know for sure that a head-in-the-sand approach will only make the issue harder and more expensive to deal with. There is a real risk that if governments and their agencies send out the message that this is just a passing blip—that this is just a one-in-a-thousand-year drought that will soon break and that we will soon return to business as usual—farmers will push on, trying to make a go in areas that are becoming increasingly marginal. Either they will lose money on crops that fail or their capital will erode while they try to keep up with their interest payments and see out the drought. All the while, they are losing the capacity to make the change and invest in diversifying or transforming their farm enterprises.

This is why it is most important that we put out and gather accurate and relevant information on the changes, the risks and the options for adaption and support. It is not just farmers who are affected, which is why we have included the impact on communities in the terms of reference for this inquiry. There is likely to be a substantial knock-on effect on rural businesses and towns of a long-term drop in farm productivities and returns. Climate change may seriously threaten the security of water supplies to many rural towns, and competition will drive up the cost of water for all users. Less water and higher production costs, together with climate impacts on farm productivity, will impact on the price of food domestically and on the value of our agricultural exports—hence, on interest rates and the economy. Doing nothing about climate change is likely to hurt the economy more. Then there are the impacts on the environment. As farming zones become increasingly marginal, there is a growing risk that farming enterprises will have more impact on the environment.

We already have fragmented landscapes in our agricultural areas, and we have spent a great deal of time and resources in Australia trying to address this issue. We have been fencing, protecting and linking remnants. We also know that there are many threatened species in some of our farming areas. In the agricultural zone in Western Australia, refuges for the last remaining numbers of species have been identified but they will not be able to be shifted quickly enough to cope with the impact of climate change.
We do not know where we need to link remnants that will allow these species to move. We need to identify those areas. We must also look at the combination of climate change and other degradation impacts—for example, salinity. This is particularly important in my home state of Western Australia. Much of our current agriculture systems are based on longstanding Mediterranean systems that, over the years, have been adapted as much as they can be to Australian conditions. Ultimately, there has been a reliance on species that are not well adapted to the variability of our climate and the ancient nature of our soils. This has placed limits on our productivity zones, which are shifting, and our farmers have had to learn to manage the risk that a bad season presents. Western Australian farmers have learned to cope with our variable climate by using a range of strategies that include diversification, selection, opportunistic cropping and conservation practices such as stubble retention and, of course, no till.

Current adaptation responses also include: developing improved varieties to cope with heat shock; staggering planting times; sowing a range of varieties, combining more hardy and more productive lines; better timing of cropping operations to suit the weather; and choosing crop varieties and inputs based on seasonal forecasts. The point here is that Australian farmers have adopted a range of strategies to cope with the variable climate. These practices have enabled our farmers to adapt to a point, and farmers have done so for over a decade with climate change, but the point is that there are limits as to how far they can go, and there is a risk that they will run down their resources, both capital and farm productivity, in the longer term.

Economic modelling suggests that broadacre farmers who rely on current technologies and enterprise options to deal with the climate becoming warmer and dryer will in the longer term see a marked drop in farm profits, greater areas devoted to pasture and less to cropping, fewer tactical alterations of cropping and pasture areas from year to year, lower stocking rates, more supplementary feeding and more areas allowed for perennial plants. However, the research shows that farmers could adapt to this likely change in climate and, if they do, farming profits could decline by 50 per cent or more, and less grain would be produced. This clearly demonstrates that the adverse climatic change is likely to reduce farmers’ financial capacity to adapt and adopt because of the impact it has on farm returns; in other words, if they stick with the same process of gradual adaptation, it might run down the farm enterprise and they will no longer be able to adapt. There is a limit under the current circumstances as to where farmers can adapt.

Over time, weathering a series of bad years can have the consequences of eroding farm capital and building up farm debt, which reduces the amount that farmers are able to invest in adaptation. This is problem No. 1, and it is here that it is crucial to provide accurate information to farmers about the likely impacts of adaptation strategies. Problem No. 2 is that adaptation responses and scenarios I have described so far rely on climate change being gradual. If the rate of climate change is slow enough, then varietal development and innovation in agronomy and management can cushion the adjustment costs and reduce the projected decline in farm profits. However, if we have hit a climate tipping point, which many of us feel we have, if things get dramatically worse over a few short years, if we pursue a head-in-the-sand approach and if we do not undertake the R&D necessary and do not share and employ adaptation strategies, then the whole of our agricultural zone is at serious risk. Our farmers, backed up by Australian agricultural re-
search, are arguably the most capable in the world at taking up new technologies and managing climate risks but they need the tools, the information and the support to do that.

We need to undertake an audit to find out where we are up to: what programs are in place, how they are progressing, where the gaps are, and whether our current efforts are anywhere near enough to allow us to respond effectively within the narrowing window of opportunity. We need far more resources, climate modelling and data to enable us to do this. We need to put the same sort of effort and resources into measuring, analysing and modelling our water, land and atmosphere as the US and the EU have put in over the last few years. Farmers in the US can now get a six-week forecast at the level of their farm that tells them with a good degree of accuracy what to expect.

CSIRO’s Water Resources Observation Network is a move in the right direction. But, while CSIRO can theoretically build this system, unless the states and the agencies are prepared to share their data and sign off on a common data and access protocol, we will go nowhere. Then there is the Bureau of Rural Sciences new National Agricultural Monitoring System—another good step in the right direction—as well as the National Water Commission’s Australian Water Resources Information System and atmospheric and ocean monitoring and modelling systems such as the Australian Community Climate and Earth System Simulator. These are all steps in the right direction, but there is no overall strategy that connects them all.

Last month at the water policy initiatives inquiry of the Senate Standing Committee on Rural and Regional Affairs and Transport, Dr Bryson Bates, the director of the CSIRO climate change program, was asked about research into climate impacts. He said:

If you are talking about adaptation in the decades ahead, again this is where we run into this problem, if I can be blunt, where researchers in this country—and I am not just talking about CSIRO—are continually nickelled and dimed, chasing $50,000 contracts to look at the impact of climate change on the water supply in one catchment, for instance, when the real problem is exactly the sort of problem you have described. It is the issue of the sustainability of our rural communities and the rural environment. We are not getting to that and we are not getting to that for a very good reason.

It is unfortunate that some of our leading scientists are still not being given the resources and the support that they need. We are approaching the climatic limits of our existing production systems in many areas. This is why I believe we need to undertake a detailed and extensive program of land suitability analysis straightaway and overlay it with our climate change models. We know that our climate is shifting and that what were once regarded as highly productive lands may in the future become marginal. I believe that it is unfair to our farmers, to our rural communities and to our environment to ignore this fact and to let it happen naturally without giving our farmers decision-making tools on which to base sound information.

We need to get serious about our research and development, and we need to get serious about the resources that need to be thrown at research and development. We need lead times. We need trials and demonstration initiatives in different areas. We need to look at native perennial crops that will adapt to our climate and our soils. We have made many strides in that area in Australia, but unfortunately there is no collective understanding of that information.

During the Senate Rural and Regional Affairs and Transport References Committee
After the oil supply inquiry, it became obvious that the Department of Transport and Regional Services did not even know what research was going on in Australia into lignocellulose, an algae, as a potential biofuel. They knew more about what was going on in America than they did about what was going on here. Although we have the National Agriculture and Climate Change Action Plan 2006-2009, it is focusing on building resilience rather than on adapting to change. The terms of reference for this inquiry are to look at the long-term impacts of climate change on Australian primary producers, rural communities and the environment. We have no collective understanding. There has been no full analysis of it.

We need to look at potential adaptation strategies to mitigate these impacts to ensure security of Australian food production and to maintain the viability of our rural communities. This inquiry is not just about water; it is about agriculture. We need to acknowledge in this country the impacts of climate change and water on irrigated agriculture. But we also need to look at the future of our broadacre dryland agriculture, because it is not in a position to adapt to climate change—which is coming, and it is coming fast.

When we asked ABARE—our leading agriculture resources economists and forecasters—about the impacts of climate change, we heard that the only modelling they have done is on the supposed potential impact on the economy of making cuts to our greenhouse emissions. They have not modelled the impact of climate change on our farming enterprises, and there is no way yet—they told me in estimates—of combining the economic analysis and the science analysis modelling. We are failing our farmers if we do not start looking at this issue seriously and start looking at a framework.

Senator HEFFERNAN (New South Wales) (10.42 am)—I do not for one moment doubt the sincerity of Senator Siewert’s thoughts and passion behind this motion to refer matters to the Senate Standing Committee on Rural and Regional Affairs and Transport. We will, however, be opposing the motion, because if there is one thing that we have had enough of, it is inquiries. What we really need in Australia now is the political will and the courage to do something with all the knowledge we have got. Obviously we need to collect it all onto one database.

I am a farmer, as are my colleagues Senator Sandy Macdonald and Senator Nash, who are here in the chamber. We have actually lived this experience and put our families and our finances on the line, and I have to tell you that there is nothing like farming to put the sweat on the back of the neck and to put your own lifestyle and family at risk. We have learned the hard way that there is a need for adaptation.

The Commonwealth is certainly well aware of the potential impacts of climate change on primary producers. As I have said many times, Australia is fortunate that we have the knowledge that we are on a continent that is going to have serious disadvantage from climate change, especially in the south, in the Murray-Darling Basin. In its heyday it had 4.2 per cent of Australia’s run-off. Thirty-eight per cent of that run-off comes from two per cent of the landscape, which is now under threat of losing something like 3,000 gigalitres through climate change, forest interception and those fires in the Snowy.

I heard my dear friends from the Wentworth Group talking some sense the other day, but on other issues I gently disagree with them. I do not think the answer is to have some political decision so that you might not be able to grow certain crops or...
undergo certain enterprises on the land or so that you would formally lock country up. I heard the Wentworth Group say the other day that they thought a lot of the country at Bourke and Brewarrina should be locked up. The market sorts that out. The western division of New South Wales 100 years ago was stocked at the rate of one or two acres to the sheep because no-one understood the carrying capacity of the land. In fact, it was grassland, a lot of which is now scrub because it was overstocked at the time. It is now one sheep to 25 or 30 acres. You do not abandon the enterprise; you have to adjust your enterprise to what Mother Nature sends along and at the same time look after the environment.

Despite what a good few people out there in the community who plait their armpits and preen their dreadlocks think—that is, that farmers are somehow the people who destroy the environment—Australia’s farmers are great environmentalists and very responsible. One of the best things that happened in recent times for farmers was Landcare. Landcare was about teaching farmers what was going on on their farm. Back in 2002 the Australian government initiated the government-business climate change dialogue. It identified a process to deliver advice and to form a blueprint for partnerships in agriculture to have a comprehensive approach to climate change. We also partnered up with the former president of the NFF in 2005 and commissioned the Agriculture and Food Policy Reference Group to report on the situation and propose actions for the long-term strength of Australian agriculture and regional Australia. The report on that was delivered in February of this year. It addressed the issues of climate change in agriculture. So a number of things have been happening.

My plea to the parliament today is not to support another inquiry, even though you could have another inquiry and go through all the things that we have been briefed on. We have had comprehensive briefings in the rural and regional committee in recent days. As Senator Siewert pointed out, we have received a lot of valuable information. One of the things that we received was advice that we should get all our information onto one database. I entirely agree with that. We certainly do not need an inquiry to tell us to do that. What we need is action, not more words. In my view, what we need is to create a specific ministry in the government of the day to deal with climate change and water.

Water has been catastrophically mismanaged by the states. A lot of that was not deliberate. It happened because of a lack of science and knowledge and overallocation. There is a phoney argument about whether it is a 1,000-year drought or a 100-year drought. The water situation may well be a one in many hundreds of years event. I am not too sure. But in terms of dryland farming it certainly is not.

The nature of farming has changed, as you have pointed out, Senator Siewert. We have gone from long-term fallow and the days when there was skeleton weed. Senator Sandy Macdonald, you would remember that. You ploughed your pasture in in the spring, then you worked it again when the skello came up and you worked it again and you worked it again and eventually, if a decent windstorm came along, it blew away. These days, you put a crop in and you cannot even see where you have put it. You put it in with a zero tillage machine. Down in my district, we have had a pretty rough trot this year. We had a fire in January and then we had this bloody drought. There is an innovative farmer there, Tony Lehman. He has crops that are going to go eight bags, and crops through the fence are going to go nothing. It is just about how they conserve the moisture and use this machine that absolutely does not open the soil up.
There is plenty of knowledge. What we have to have is direction. I say that we have to create a ministry which embraces climate change, water and the development of the north. As I said at the start, Australia is a very fortunate continent. They say we are the world’s driest continent, but per head of population we are about No. 5 or 6 in the world for water availability. It is just that no-one wants to live where the water is. Sixty per cent of our water is in Northern Australia. There are 78,000 gigalitres running out of the Timor catchment, bearing in mind that 23,000 gigalitres is the run-off—or it was before these new reductions came along in the Murray-Darling. There are 98,000 gigalitres running out of the gulf catchment. About 85,000 gigalitres run out of the north-east catchment, in the Burnett. From the gulf catchment we divert 50 gigalitres, out of 98,000 gigalitres. We divert about 55 gigalitres out of the Timor catchment, out of 78,000 gigalitres. While there is a lot of poor soil mixed in amongst all that, as there is in every district—bandicoot country, we call it—there is a lot of good soil. There are millions of acres of beautiful soil that run through the Barkly Tableland and out through the Kimberley.

I say that we ought to harness the knowledge, put the money towards harnessing the science. I had the CSIRO in my office this week talking to us. Senator Siewert, we will be taking their information to our committee. They were talking about how and why they can help. They obviously cannot make political decisions. But while there is going to be pain in the south there is going to be gain in the north.

At the same time, as I have said many times in the last few weeks, there is a great opportunity for Australians to overcome the shame that we should all feel about the debilitating conditions in which a lot of our Indigenous communities in the north live. I am ashamed to think that we are here today and can have a nice cup of morning tea and so on and there are communities up there where 7,000 kids have no access to high school. They have no economic opportunity. There are all sorts of dysfunctional problems within the communities. As I have said, if you go to the so-called Wadeye Centrelink office, you see that it is a hole in the wall with a phone in it. When you lift the phone up, there is no voice at the other end. You have to press buttons. Someone does not say: ‘G’day. How are you?’ when you lift the phone up. You have to press this button and press that button. And, waiting to use the phone is a line of women—a line like you see at the toilets at half-time at the football. It is a disgrace.

Australia’s farmers need to come to terms with climate change and to do something sensible downstream from the North West gas resource. This year I went to Trinidad and saw the value-adding that they have done. They supply 73 per cent of the United States liquid natural gas. So far, I guess to get the thing up and running, we have had some big sales to China, which are to be applauded. But we are selling gas for four or five cents a litre when we should be value-adding it. If we could get a ministry that looked at all this—not an inquiry but a ministry—we could have infrastructure put in place that would go with this development and we would have a road to the future for those remote Indigenous communities.

In Wadeye, on the first day of school this year 600 kids turned up. There was a mood in the community of, ‘Let’s get these kids to school.’ I met a couple of old nuns there. One was 92 and the other was 85, and the 85-year-old nun still drives the 92-year-old nun around. They are daughters of Our Lady of the Sacred Heart. I was sitting under a tree, and I walked over and said, ‘G’day; I am an old SH boy myself. I went to Bowral...
in 1949. It cost £4 10 a term.’ She said, ‘You would have known Sister Philomena,’ and I said, ‘No, she was Mother Philomena to me.’ They are still out there doing terrific work in those communities. For the first time, that school had 600 kids turn up on the first day this year. But, because there were no desks, rooms or teachers, after a few days the kids got sick of sitting out in the sun, as it were, and they went home. It was just appalling. Now there are only 200 to 300 kids there. And the 300 to 400 kids who should be at high school have no high school. What hope do they have? So why wouldn’t they play up when the cameras turn up? It is a disgrace.

So if we are going to fix all of that, Senator Siewert—and we can fix it—we need to turn the adversities of climate change in Australia into opportunities. Obviously, there has to be a lot of activity removed from the Murray-Darling Basin—and that is code for some people, through water trading, leaving the industry—and, obviously, there has to be more water returned to Mother Nature. It is a quandary. We are arguing about whether we should return 500 gigalitres or 1,500 gigalitres to the river system when we know that Mother Nature will take 3,000 out anyway. We had that ridiculous proposition last year for the Snowy Hydro sale. It did not make any sense then and it does not make any sense now.

I think that the time for inquiries is over. I think it is time for political cooperation between the states. I actually think that there has to be a higher authority that takes charge of water. There have been some outrageous propositions put about some of our borders. The stuff-up in the Lower Balonne as to whether you buy or sell a place that has a water entitlement is a lazy solution. Most of the cotton that is grown in some of those places is in overland flow. It is water that is not licensed, it is not costed and it is not needed. It is a national disgrace. We know all that stuff. We do not have to have an inquiry. We just have to have the courage to do something about it. We now have a trigger in Australia to make all this happen. Even people in the cities are now wondering whether in the future, when they turn the tap on, the water will come out.

We do not need an inquiry into the mismanagement of water in Sydney. Sydney’s water infrastructure was set up for four million people, and 430 gigalitres goes out of three outfalls and is wasted every year because there is a monopoly in action there—and the monopoly pays a dividend to the government. It is a lazy way of doing business. It does not matter how wasteful it is, if you get rid of the water, you get the money. There should be a secondary water market in Sydney for recycled water—an incentive in the market. There are lots of opportunities. That will happen in rural Australia.

We do not need an inquiry into the wetlands which you talked about this morning, Senator Siewert. There is no question that in the Macquarie Marshes there are water thieves. You have all of those banks there and no-one has the political courage to go along and say, ‘Take them out because they are not licensed.’ You have the farmers saying, ‘Don’t send water down to the wetlands because they are dead.’ The only reason that they are dead is that someone else is pinching the water that is being sent down there. The agricultural companies and the pastoralists who are doing that—I will not bother naming them here—should be ashamed. You know this from our committee inquiry, Senator Siewert—we have all the photographs. They are only little banks, and they divert all the water from them. That should be fixed. You do not need an inquiry to do that. You just go up there and fix it. I do not want to go on all day—though you could go on all day—about the catastrophic mismanagement, but I think we have been presented
with a great opportunity. We have done some great things. I welcome back the Minister for the Environment and Heritage, who has just entered the chamber.

Senator Ian Campbell—It is good to be here.

Senator HEFFERNAN—We have done some wonderful things. I notice that Senator Bob Brown, at a press conference the other day, gave credit to Mark Latham for locking up the Tarkine. Bob, I was offended. John Howard locked up the Tarkine, and he was not bludgeoned into it by Mark Latham. Mark Latham did not know what he wanted to do then and does not know what he wants to do now.

Senator Ian Campbell—Latham’s policy was to have an inquiry for 12 months.

Senator HEFFERNAN—We do not need any more inquiries. We just have to have the courage to go and do this. There are a range of people who try to fight against and to resist the obvious. It is patently obvious that there is climate change. It is patently obvious that there will be some areas which will have to adapt to the weather in more ways than probably many people realise.

I think a lot of dairy farmers along the Murray River now know that, with the cost of water, growing pasture is going to be a pretty tricky proposition if the Australian people are only prepared to pay $1.14 for a litre of milk but $2.50 for a litre of water. What sense does that make? Consumers in Australia say to our farmers, ‘You’ve got to keep supplying that tucker at cheap prices, old mate,’ yet we import Chinese bottled water—Aqua—and put it on a shelf in the supermarket. It is a lost litre at $2.50; a lost litre for the importer. It comes into Australia at 28c a bottle, 600 mils, and it retails for $1.85 to $2.50. Where is the sense in that? The poor old guy who gets up at four o’clock in the morning to milk the cows can only get half that.

Bottled water is a con job. I have tried it out. I have gone to the tap—as long as you have got reasonable tap water—filled the bottles up, handed them around at an event and people all think they are drinking some special, sparkling spring water from somewhere. It is Mother Nature’s water. It is just that it has come out of a river instead of a spring. Good luck to them all, but we do not need any more inquiries. Everybody knows what has to be done: we just have to get on and do it, and now is the time. I think I have said enough.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.01 am)—I have some sympathy for Senator Heffernan’s position. I note the angst in the way he has put it forward and I recognise his experience as a primary producer in the Murray-Darling Basin. The underlying tenet of his speech was that we need action to deal with the massive impact that climate change, which we have known about for decades, is having not just in the Murray-Darling Basin but right across the agricultural lands of Australia. The first piece of action, however, is the government saying, ‘We’re not going to support an inquiry proposed by Green Senators Siewert and Milne that looks at (a) the long-term impacts on Australian primary producers, rural communities and the environment, with reduced and increasingly variable rainfall, increased temperatures and higher evaporation rates as a result of climate change; and (b)—listen to this—potential adaptation strategies to mitigate these impacts to ensure the security of Australian food production and maintain the viability of rural communities.

Let us make this clear: there has been a need for action. There has been a need for what Senator Heffernan calls political will.
and courage. There has been a need for the recognition that the federal government, the most powerful authority in this nation, should take a lead. The angst from Senator Heffernan is because the government has patently failed to do so in the 11 years it has been in office. The patent failure goes right to the top; it begins at the top with Prime Minister Howard because he has turned his back on the scientific evidence. He has turned his back on the powers that he has, including the corporations powers, and he has repeatedly and serially offended the proposal that Senator Heffernan has just put forward that we need to harness the knowledge we have and come to the aid of people in rural and regional Australia.

Senator Heffernan and Senator Milne say, ‘Let’s harness that knowledge. Let’s get it together so that we can act on it,’ and we have an injunction from the Prime Minister’s office, because that is where the fate of these motions is sealed, saying ‘No, we won’t do that.’ Here we are, 11 years down the line, and Prime Minister Howard says, ‘I won’t support an inquiry. I will not support harnessing the knowledge,’ as Senator Heffernan says, ‘and therefore I pull the rug from under informed action.’

Glory be! This nation needs informed action, but we have got a Prime Minister with his head stuck in the sand, turning his back on the information available and therefore the prescription for deliberated action coming to the aid of rural Australia. If we do not come to the aid of rural Australia, the impact is going to be felt by all 23 million Australians. They will feel it in the supermarket, they will feel it in their bathrooms, they will feel it when they go to their refrigerators and, most of all, they will feel it when they think about how much worse it is going to be for their children and grandchildren.

This has been a decade of lost opportunities. This has been a decade of studied ignorance by the Prime Minister and his cabinet. This is a decade, as Senator Milne pointed out, capped off by a budget in May in which the Treasurer did not even mention climate change, let alone allocate the resources that are needed to help the obvious readjustment that is going to happen in Australia.

Senator Heffernan said, quite rightly, that obviously there is going to be the removal of a lot of activity in the Murray-Darling Basin. I would add to that, ‘Ditto elsewhere,’ particularly across the whole of southern and south-east Australia. Then he said, ‘We’ve got to look at the environment,’ and I totally agree. In a jocular fashion, Senator Heffernan said he would be a good Green. The fact is that his knowledge of the threat to and the damage being done to rural Australia by climate change would fit him out for that. But the Greens are calling for action based on knowledge, and poor Senator Heffernan is caught by the Prime Minister’s injunction, ‘We won’t have it through this parliament.’

The best we on the crossbench can do is put forward a motion like this which ends in action. The better thing to do would be for the government to go into action, but it has not, it is not and it will not. The best this Prime Minister can do is last Sunday call a summit for Tuesday morning—so that there is time to watch the Melbourne Cup on Tuesday afternoon—and announce some measures which temporarily make people feel better but which fall enormously short of the national obligation he has to recognise climate change and recognise that, despite his dismissal of the fact of climate change by saying, ‘I don’t listen to doom and gloom,’ for many people in the bush, doom and gloom is their reality at the moment, added to by the interest rate rise yesterday, by the rising Australian dollar and by falling productivity.
Prime Minister Howard, that is a lethal cocktail for so many farms and so many rural communities in Australia, and you have failed to act on it. In fact, you have made it worse by mismanagement of this nation, because good management comes from using the knowledge available to ensure you make the future better, not worse.

But the Prime Minister has patently failed and now we have what Senator Heffernan calls ‘this bloody drought’. With those three words, he sums up the anguish of the minority in government that recognises that inaction is now leading to enormous damage—to families, to farmlands, to the economy and to this nation’s future. Senator Heffernan said rather weakly, ‘We’ve had enough inquiries.’ If that is the case, where is the action plan? Where is the informed program by this government to meet the desperate need of people suffering this one-in-1,000-year drought, as it is being called, which everybody must fear, with climate change, is about to become normal? That is the prediction. It has been predicted for years that what was once a one-in-100-year drought is going to become commonplace and what was a one-in-1,000-year drought will come more often. And it is not just drought but also hailstorms, cyclones and other weather changes right across the field that are going to have an impact on the security of Australians into the future.

Senator Heffernan says that water has been catastrophically mismanaged by the states. This government, under the Constitution—with, for example, its corporations power—has long held the ability to prevent catastrophic mismanagement. But it has failed to do so. Now we have a mixed-up, muddled, inadequate Prime Minister who says, ‘We will have water trading—that’ll fix it; let’s have it across borders,’ and a parliamentary secretary for water, Mr Malcolm Turnbull, who says, ‘Let’s privatise it; that’ll fix it.’ Anybody who has read economics, and has in particular looked at, for example, the privatisation of Victoria’s transport systems and its outcomes, will recognise that good management is required, but so often privatisation, which insists on a profit on top of good management, simply leads to more expensive management, which is not necessarily good and can sometimes be quite harmful.

The same Prime Minister says, ‘I’m still not in the camp of those who are more worried about climate change, but I’ll have water trading,’ in this last, late, desperate stage because it sounds good and it might be an elixir—it is not; good management is—but he will not have carbon trading. He says, ‘I’ll let those people polluting the atmosphere do so for free,’ because he supports, as he said yesterday, dirty coal as the primary means of burning fossil fuels to produce electricity in this country, when we have to change from that. The whole wisdom of the world says we must switch from that course, and our Prime Minister says, ‘I’m right behind the old formula, and if there’s a backup it’s nuclear.’ In this sunny country, he repeatedly gets it wrong, saying that solar power cannot be the answer; renewable energy cannot be the answer. And he does not understand energy efficiency, which is linked to the fastest, biggest alternative source for energy production that this country has. The Prime Minister does not want carbon trading. Well, he is going to have to have it or he is going to have to place a carbon tax on those who pollute, because, with climate change, that is generating much worse problems for our farms, our towns and our huge urban cities. And these problems will be experienced by our children, who will look back aghast at the delinquency of the Howard government’s period in office.

Senator Heffernan said that we need to protect the environment. Well, that includes the wetlands. Just this morning Senator
Siewert moved a motion that the state and federal governments guarantee the protection of the Ramsar-listed—that is the highest recognised listing in the world for the protection of bird-breeding wetlands—Gwydir wetlands in the Murray-Darling Basin in New South Wales, and it was voted down.

Yesterday the Prime Minister indicated that he will drain the wetlands. He will block the water to them—with the catastrophic effect that has on the bird-breeding cycle in Australia—if necessary to ensure water for towns. There was no mention of the huge, largely foreign owned, cotton combines sucking water out of these same rivers. The Prime Minister gives them precedence over this nation’s heritage and, presumably, over towns’ water supplies that are so desperately threatened by this climate change and which we do have to ensure until the good rains come again, however temporary that might be.

Senator Heffernan says that the Chinese are sending water here at 28c a litre to undercut our markets. Do you know what? Our Prime Minister is currently negotiating another free trade agreement with China to guarantee that that can happen on a whole range of products—a whole lot of them—to remove all inhibitions to trade.

What he is not negotiating is a carbon tax on transport carrying these goods around the world so that the pollution that comes from long-haul air and sea transport bringing these goods so cheaply into Australia is properly paid for by those who do it. They are effectively being subsidised at the cost of our climate by the thinking of this Prime Minister when he meets President Hu or his successors in negotiating another free trade agreement. Ask farmers in rural Australia if they think that is going to help them through this crisis at the moment.

Senator Heffernan says that he has got a farmer friend who has got new processes in farming which make his farm eight times more productive than a neighbour’s, and we all know of such farming success stories in the face of terrible weather conditions, of terrible drought and a shortage of rain. Would it not be sensible to have an inquiry which was dedicated to action and which ensured that the neighbour was able to increase productivity on her or his farm eight times in the teeth of a drought? Do we just leave it to people to go backwards or do we make sure that they get knowledge and support so that they can change their farms to be productive in the face of changed weather conditions?

What Senator Siewert and Senator Milne are putting forward is a sensible proposal to gather the knowledge and then to go into action to develop an action plan. And Senator Heffernan comes in here and says, ‘No, we just need government action.’ The problem is that we will not get government action, because we do not have a Prime Minister who is able to face up to the awesome threat and reality of climate change and use the powers at his disposal through his government. They have got control of both houses of this place to bring in the enormous changes that this nation is going to have to have, not only to face climate change but also to get commercial, business, jobs and export advantages out of being a leader in the world in such things as environmental technology applied to the land as well as to energy production and water recycling, for example.

Germany and Japan lead the world. Why? Because Australia, through the Howard government, has either turned its back on such research or in some critical cases defunded it, while the Prime Minister pours hundreds of millions of dollars into coal. And so do state governments like the Bracks govern-
ment, the lemma government and the Queens-
land government when they ought to be
getting behind sunrise industries—the indus-
tries of the future, the industries which are
going to bring prosperity and a world lead in
business to this country.

So I support this motion of course. It says:
let us go for knowledge and, out of knowl-
dge, let us go for action. It is deplorable that
the government is going to use its numbers
in this Senate today to again turn its back on
knowledge and fail to act at a time when this
nation needs both knowledge and an action
government, not a government locked into
the last century’s thinking.

Senator KIRK (South Australia) (11.20
am)—I wish to indicate that the opposition
will be supporting this motion by Senator
Siewert.

Senator SIEWERT (Western Australia)
(11.21 am)—Once again we had the argu-
ment put that we should be thinking about
going north, peddling false hope—at least
that is the idea—to farmers of the south, that
we will just gather the wagons together and
head north. That is designed as a distraction
from the fact that climate change is the big-
gest crisis facing our farmers, one that they
urgently need to deal with. How can you
expect farmers to deal with this crisis with-
out the support from both our state and fed-
eral governments, without gathering together
every bit of scientific research that this coun-
try can gather and focus on this issue? I find
it quite distressing, in fact, that the govern-
ment does not seem to understand the impact
that this is going to have on our farmers, and
the depth of work that is needed. They seem
to have no understanding of the impacts of
climate change on our farmers and what is
needed to address this issue.

They did not address in their reply the ac-
tual terms of reference for this inquiry, look-
ing at the long-term impacts on primary pro-
ducers and rural communities. That quite
clearly comes as an also-ran in the govern-
ment’s thinking. They have only just acted,
for example, to provide EC and drought as-
sistance to small businesses in farming and
rural communities—they were quite obvi-
ously forgetting that they are absolutely de-
pendent on our farmers—and to look at the
impacts on the environment.

There is one area they clearly want to ig-
nore. Given the Prime Minister’s statements
about draining wetlands and about people
coming first, he quite clearly still does not
get the fact that you cannot support people
without having a sustainable environment. I
bet you that he did not ask the farmers
whether they thought that should happen—
that is, whether the farmers agreed to drain-
ing wetlands. Do you know what? Not one
farmer that I have spoken to supports drain-
ing wetlands. Maybe the Prime Minister
should actually go and talk to farmers first
before he starts bandying around ridiculous
suggestions like that.

Obviously he also does not take into ac-
count that the government has spent and al-
located lots of money—and I acknowledge
this—to the environment through the Natural
Heritage Trust. Billions of dollars have been
spent in our farming communities on plant-
ing trees. What about the impact of climate
change on those trees that have been planted,
for example? What about the work that farm-
ing communities have done in protecting
wetlands and the environment? What are the
potential adaptation strategies? We are not
just talking about—and I have been talking
quite a bit about this—looking at research
into developing more crops—we are also
talking about adaptation strategies for rural
communities and the environment. All of that
needs to be looked at. There is nobody pull-
ing that together. Nobody is putting that
thought in.
As I touched on earlier, ABARE are not even thinking about it. The only instruction they have been given by government is to look at what the costs are to our economy of making cuts. They are not looking at what the impacts of climate change are on our agricultural systems, rural communities and the environment. None of that work has been done. So how can our farmers be making realistic decisions if they are not getting that information support?

My colleague Senator Brown touched earlier on the question of who is driving the action. What we heard before is: ‘No more inquiries—let’s have some action.’ Who is driving the action? The Prime Minister called a summit on three or four days notice, weeks and months after the warning signals for this season were that our storages would be drying up. He called it so late that farmers growing summer crops had already started getting ready and watering their fields to prepare to sow their summer crops. If action had been taken earlier, they would not have been wasting that water. The Prime Minister then, maybe, would not have come out and suggested that we had to drain our wetlands to support our towns. Just when is this action happening and just who is doing it? I have seen none of it so far, that is for sure.

If you look at what farmers are saying about action for climate change, I actually think that the government has not been listening to them. Let me just read to you a bit of what the National Farmers Federation have said to the Commonwealth government. Their agriculture and land management working group said:

Australia’s agriculture, forestry and land management interests are exposed to the impacts of climate change. Compounding our risk exposure, the agriculture sector is not equipped, at present, with sufficient detailed information about the impact of climate change on different regions and different types of farming activity. Given the extent of this vulnerability, there is an urgent need to enhance understanding of the likely impacts of climate change at a scale relevant to sectors and regions ...

They also said that there is an urgent need to understand the social, economic and biophysical implications of climate change on this sector and to develop adaptive responses accordingly. The Queensland Farmers Federation this year, in their 2006-07 election issues paper, said:

Adaptation to climate change is the biggest challenge facing Australian agriculture in the next 20 to 30 years ... Like all changes, a changing climate brings both risks and opportunities. Those who better understand the nature and implications of the change can adapt more effectively to avoid the risks and seize the opportunities ...

They go on to say:

Agriculture is arguably the most seriously affected sector of the State economy in terms of climate change effects. Yet there has been little investment by the State in identifying the impacts of climate change for farmers, or in preparing farmers for adaptation or mitigation strategies.

And they call for the following:

- a research program to develop regional and industry scenarios for climate change in industry and likely threats and opportunities for industry;
- follow research to identify new plant varieties and farming practices that might be better suited to climate change ...
- raising awareness about and voluntary on-farm adoption of measures to address issues of climate adaptation, greenhouse gas abatement and the identification of new opportunities for rural industries;
- research in terms of mitigation effects and adaptation techniques.

So our farming organisations are saying that there is not enough being done and they need help to identify and address the impacts and to look at adaptation strategies.
There has been other work recently released that I think also impacts in this area. For example, the Productivity Commission last week released a report on research and development in this country and raised some concerns about the focus being on commercialisation and not enough on public benefit. I think part of this inquiry looking at adaptation strategies would also look at how we are handling research development in this country and whether we are putting enough emphasis on the development of, for example, adaptation strategies and the appropriate crops that are needed.

There is work being done in this country. For example, the salinity CRC, based in my home state but operating across Australia, has done a great deal of work in this area. Do we need to upscale that work? Do we need to invest more money? I would argue that we do—but we certainly need to look into that.

As I said earlier, we have no framework. We have no overall view in Australia of what research is being done and where it is being done—and what research is not being done. We certainly do not have an understanding of the land use capability in this country and have not overlaid that on our climate change models to help farmers—for example, those in the eastern wheat belt of Western Australia—to identify just what their future options are. They are facing decreased rainfall and increasing temperatures. How do we help them to make decisions about staying on farm? Is it appropriate that we as a community offer them financial support for ecosystem services?

I for one do not want to see farmers walking off the land. I want to ensure that they can stay there if possible. Perhaps we can provide them with ecosystem services and look at what else they can do to stay there. We need to ask what areas are marginal because, in the future, we might need to consider, for example, phasing out farming in some areas, but we want that to happen in an orderly fashion. We do not want people to suffer. We do not want to provide false hope that farmers can pack up and move north.

As I articulated in this place last night, there are many problems with the so-called ‘developing the north’ option, as if the north is some empty, final frontier that we can develop. It is not appropriate to offer false hope to the farmers of the south by saying: ‘It’s okay, you can move north. We don’t need to worry about you.’ If we truly care about our farmers and the future of our rural communities, we will be looking beyond just their resilience. There is a National Agriculture and Climate Change Action Plan, but it is based around resilience—as if farmers can just keep slowly adapting to climate change. Farmers have been doing that. But they can no longer continue to gradually adapt, because their farm profitability will go down and they will therefore not have the resources to carry out the bigger adaptation that will be needed. We are offering these people the false hope that they might be able to continue the same old same old in areas where that will no longer be possible.

We need to look further ahead and offer long-term solutions, but we cannot do that if we do not know what the possible impacts are. There has been no overall study of the impacts of climate change on our rural producers, our rural communities or our environment. We need to start looking at a full and comprehensive range of those impacts and at our adaptation strategies for them. Climate change requires us to take a quantum leap in the way that we look at these impacts, how we manage our water resources, what we offer—for example, exceptional circumstances and drought assistance—how we encourage innovation to deal with drought and how we manage our farming systems.
We need to look beyond just increasing the resilience of our existing systems to developing new agricultural industries, probably based on native perennials and other crops. We need to open our minds to this, but we certainly will not be doing that through the existing processes. That is why the Greens believe that we need an inquiry to pull this information together so that we can look at what private researchers and the different agencies around the country are doing and at how we can share information. We cannot properly share information across the Murray-Darling Basin yet, let alone across Australia. Who is drawing those information sets together? Who is talking to the states about pulling it together? There is nobody doing that at the moment. How do we do it? How do we encourage states to share information? Those issues are not being addressed. We cannot take action if we do not know what we are actioning; therefore, we firstly need to pull this information together. I strongly encourage the Senate to support the establishment of this inquiry.

Question put:
That the motion (Senator Siewert’s) be agreed to.

The Senate divided. [11.37 am]
(The Acting Deputy President—Senator PR Lightfoot)

Ayes…………….  31
Noes…………….  33
Majority……….  2

AYES


NOES


* denotes teller

Question negatived.

CHILD SUPPORT LEGISLATION AMENDMENT (REFORM OF THE CHILD SUPPORT SCHEME—NEW FORMULA AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 8 November, on motion by Senator Santoro:

That this bill be now read a second time,

upon which Senator Chris Evans had moved by way of amendment:

At the end of the motion, add “but while welcoming the many positive measures in
the bill, the Senate expresses its serious concern about:

(a) the Government’s decision to proceed with the bill without providing any protection for low income families who may lose income as a result of changes to the child support scheme;

(b) the failure of the Government to properly manage transitional issues in circumstances where parents are worse off under the bill, as recommended by the Ministerial Taskforce on Child Support;

(c) the failure of the Government to make any attempt to quantify the financial impact of the bill on existing child support customers;

(d) the failure of the Government to provide up-to-date demographic information about existing child support customers;

(e) the unreasonably short timeframe imposed by the Government on the Senate Community Affairs Committee’s inquiry into the bill, particularly given the extent of the changes to the child support scheme and the potential financial impact on low income families; and

(f) the overly-complex nature of the changes in the bill”.

Senator MOORE (Queensland) (11.40 am)—In my remarks yesterday afternoon on the Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Bill 2006 I was making the point that there had been an amazing amount of very positive work done to review this legislation and acknowledge that it needed to be changed. But my fear is that the undue process—the lack of consideration of the actual legislation—could make it more difficult for us to engage with all those people who need to be involved in the ongoing process will feel pushed away and dismissed, and therefore not able to fully have their views understood and respected. This is an absolute shame because this legislation that touches upon families and children and their survival in our community has not been given the respect it deserves.

In the time that I have left, I want to make a couple of points about Labor’s concerns. One of the things that we raised in the committee inquiry was the impact of the changed model on those people who currently rely on their payments for their continuing survival in our community. I speak about this aspect having had the opportunity of being involved in the Senate’s poverty inquiry several years ago. That inquiry heard significant evidence from all states across Australia of the financial difficulties experienced by single parents. Their difficulties are not denied by most people—certainly not by the people who represent single parents or the welfare agencies in this country that work most closely with people who need support on a regular basis. Support is not only provided on the basis of a one-off crisis, which used to be the way that welfare agencies operated in Australia, agencies like St Vincent de Paul, Lifeline, Anglicare—the whole range of community support organisations—and, particularly, the Smith Family, who focus exclusively on issues to do with children. Those agencies provided evidence with one voice to the Senate inquiry on poverty—and many of them also provided submissions to this legislation inquiry—and pointed out the tenuous balance that single parents have in regard to their financial security. And we know that there is not just one stream of financial support.

In terms of the way that single families balance their income, we know that they have child support payments, which is the basis of the legislation the Senate is discussing at the moment, and we know that they have the family tax payment benefits brought in by this government as well as other ele-
ments of employment response that all come together in the bucket of money that families need to survive. One thing that is very clear about the bucket of money we are talking about for single parent families in lower income brackets is that it is precariously small. The debate that we are going to have on rejigging the model, which is the basis of the whole revamp of this legislation, will determine exactly how payments will be distributed—those payments being a major stream of finance for any single parent family. We know that the modelling is being conducted with strong research provided by the Australian Institute of Family Studies, and we welcome that. In fact, the role of the AIFS must be enhanced in any future consideration of the impact of this on Australian families. That is a particular concern for many of us on this side of the chamber.

Under questioning to the AIFS about the kind of work they did leading to the development of the child support legislation, we asked specifically whether the Welfare to Work legislation had been considered in their research and extensive modelling. They said no. We then asked whether that inquiry had been put to them, whether their significant expertise had been requested in the various considerations by the government about what the implementation of Welfare to Work would do to single parent families. They said no.

That was extremely confronting for us on the committee, because there has been a focus on single parent families by this government over a period of time, most particularly over the last 12 months or so as the Welfare to Work legislation has been brought through this place and implemented in the community. The Welfare to Work legislation focused on economic security for single parents. None of us have any argument with the concept of access to employment and the development of enhancements for single families. The issue about which we are arguing is how the government can pursue legislation in the child support area, using a range of consultation mechanisms and talking about where this is going to take single parent income into the future, whilst at the same time introduce another raft of legislation focused on those same families. It does not look at them together. In a period when we consistently talk about cross-departmental liaison and whole-of-government response, how could this be seen as credible?

In terms of where we go next, as I have said consistently, we need to have a process whereby people feel confident in the system and feel as though their issues are being taken into account by the system. They need to know that there will be genuine involvement in whatever happens in their interactions between them and the government. How can we move forward when such a basic issue is seemingly ignored? No-one seemed to have an argument with whether this was appropriate or not; it just had not been done. The message we have for the people dedicating their time to developing the child support legislation and the reform of the Child Support Scheme is: moving forward, please ensure that the consultative mechanisms involve the best possible resources that this country can offer—and we have them. That is one of the more frustrating elements. We have the Australian Institute of Family Studies, we have various community groups and we have people working to put forward the views of single parents.

One of the things we did find—and I know that this is no surprise to people—is that, when we had representatives looking at the issues of single mothers and the issues of non-custodial men, sometimes it was difficult to have them cooperate effectively at the table and to respect each other’s views. But we did have an understanding that, if we are
going to proceed, that kind of discussion must occur. It may be difficult. It may sometimes be difficult when developing the legislation to balance effectively and to find a path upon which most people can agree, but the discussions must be had. People must be assured that their views are not being taken in a token way—that the issues will be genuinely reviewed and considered and the whole impact of what is happening in our society and economically will be taken into account so that one series of decisions will not be taken in isolation. That has been one of the serious faults until now.

There is no way that the Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Bill 2006 will have the opportunity to succeed if those issues are not effectively considered. No piece of legislation can ever be considered in isolation, and no piece of legislation is beyond review. We need to have a process of review before the legislation is put in place. We have an opportunity to do that with this legislation because it is a part of a series of implementation processes, which I understand will not be concluded until 2008.

We have the chance to engage with people effectively throughout this whole process. But the engagement is dependent upon a sense that the voices will be respected and heard. If you lose trust now, if you in any way dismiss people from credibly partaking in this process, it will fail. We cannot afford it to fail because no-one believes that the child support system at the moment is working perfectly. In fact, I do not think anyone truly believes that the child support system will ever work perfectly. It is reliant on so many streams of information and knowledge and it is also dealing with people during a period of crisis. So we need to ensure that what is put in place is as effective as possible so that people feel confident in being part of the system. They need to be able to acknowledge that—even if their personal pet projects or issues are not taken up—they have been considered and the review process will continue.

The legislation is dynamic. If things are implemented and found to not be as effective as they ought, we must have the chance to come back and rejig things. I think that is something that our system allows, but we need to make sure that there is an ongoing review process and that it is not just at set times. This is not the kind of process that can rely on a two-year or 10-year review. At the beginning of the implementation of the new model, the process that I believe has been effectively put in place till now with the various streams of advisory groups, using the expertise that we have in this country, should be continued formally—not on an informal basis but formally. That commitment seemed to be given by the department and the government during the committee process that we had.

We have the opportunity now to move forward. I continue to be concerned about some of the implementation processes, and I believe that will come up in the committee process. How we ensure that the Social Security Appeals Tribunal process is effectively resourced and how we can make sure that the legal elements around that are implemented is something we can discuss.

I am pleased that the Child Support Agency received a considerable increase in resources in the last budget. I have said on previous occasions that I was deeply concerned that the Child Support Agency had not received appropriate resourcing over the last 10 years and that if we are going to have confidence in this system being able to be implemented fully we need to have a strongly resourced public sector that is doing the work that has to be done. They need to be
well trained, well resourced and responsive to the range of people who are relying on child support for their financial security. In terms of where we go next, there needs to be an ongoing process of cross-departmental cooperation, because child support is not a single agency. It relies on so many other forms of legislation and bases. The department has been introducing things over a period of time. The Attorney-General’s Department, Centrelink and the Taxation Office all have to be brought together such that they focus on the issues of child support.

As we work through the Welfare to Work process, working with agencies who now work with the community is essential. The government have said that that is part of their plan. We want to be part of that plan. Wonderful people continue to come forward, consistently saying that they want to work with the government despite the fact that they know that their own issues may not be able to be dealt with completely. Those people from various community groups came to see us when the House of Representatives Standing Committee on Family and Community Affairs was meeting. We must continue to value them. We respect their honesty. We also know that it is our community responsibility to respond to children particularly through the child support legislation. The hope that was brought to so many families when the original legislation was passed must be maintained. It can never be allowed to just go without question. Children are the central point of any legislation looking at child support, and the financial and social interests of children must be maintained into the future.

Senator CAROL BROWN (Tasmania) (11.54 am)—I rise to speak on the Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Bill 2006. The Labor government established the Child Support Scheme in 1988. The existing scheme has been in place since 1989. The interim has seen a fundamental philosophical shift in family/carer models, articulated nicely by the Australian Institute of Family Studies—from a ‘one home, one carer’ model to a ‘two home, two family/carer’ model. They said:

This shift reflects mounting social science evidence that the interests of children post-divorce are generally best served when children can maintain ongoing and frequent contact with both parents who can cooperate. The Scheme was originally built in a world where fathers were typically the sole breadwinners in families while mothers were the primary carers of children. But with rapid social and economic change over the past decade or so in Australia—whereby both parents are increasingly in the labour force, relation breakdown is pervasive ...

The institute further stated:

…the shift from the old ‘sole (maternal) custody’ model towards greater sharing of the care of children makes sense—so long, of course, as children’s needs, interests and wishes are heard and protected.

I might also add: wellbeing.

The process of child support reform has been lengthy and complex. In December 2003, the House of Representatives Standing Committee on Family and Community Affairs delivered its report on family separation issues: Every picture tells a story. That report recommended the establishment of a ministerial task force to inquire into the Child Support Scheme. The terms of reference for the task force, supported by the reference group, were:

1. Provide advice around the short-term recommendations of the Committee along the lines of those set out in the Report (Recommendation 25) that relate to:
   - increasing the minimum child support liability;
   - lowering the maximum ‘cap’ on the assessed income of parents;
1. Changing the link between the child support payments and the time children spend with each parent; and

2. The treatment of any overtime income and income from a second job.

2. Evaluate the existing formula percentages and associated exempt and disregarded incomes, having regard to the findings of the Report and the available or commissioned research including:

- data on the costs of children in separated households at different income levels, including the costs for both parents to maintain significant and meaningful contact with their children;
- the costs for both parents of re-establishing homes for their children and themselves after separation;
- advise on what research program is necessary to provide an ongoing basis for monitoring the child support formula.

3. Consider how the Child Support Scheme can play a role in encouraging couples to reach agreement about parenting arrangements.

4. Consider how Family Relationship Centres may contribute to the understanding of and compliance with the Child Support Scheme.

The task force was chaired by Professor Parkinson. Its report—which undertook a comprehensive assessment and made 30 recommendations to overhaul the system—was submitted to the government in May 2005 and was released in June 2005 as a two-volume report entitled In the best interests of children—reforming the Child Support Scheme, which has become known as the Parkinson report. At the time of the release of the Parkinson report, Labor indicated:

... that child support policy must put the interests of children first, reduce child poverty, ensure both parents contribute to their children’s well being and encourage them to maintain ongoing roles in their children’s lives.

The measures contained in this bill come on top of the Child Support Legislation Amendment (Reform of the Child Support Scheme—Initial Measures) Bill 2006, which was passed in June this year. That bill provided the legislative basis for stage 1 of the reforms of the Child Support Scheme. The bill changed the capacity-to-earn provisions for parents, increased and indexed the minimum payment, increased the amount of the child support payment that the non-resident parent can direct to specific purposes, dealt with a constitutional issue regarding application of the Child Support Scheme to ex-nuptial children in Western Australia, and reduced the cap on the income of non-resident parents which is assessable for child support purposes.

The Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Bill 2006, which we are now debating, seeks to implement the second and third stage of the child support reform package. The second stage reforms will introduce the independent review of all Child Support Agency decisions by the Social Security Appeals Tribunal, broaden the powers of the courts to ensure that child support obligations are met and strengthen the relationship between the courts and the Child Support Scheme. The reforms will also allow separating parents more time to work out parenting arrangements before their family tax benefit is affected. These changes are due to commence on 1 January 2007.

Under the third stage of reform measures, the bill will introduce a new child support formula that will change the way child support payments are calculated, change the treatment of income from second jobs and overtime, change the treatment of parents with dependent stepchildren when calculating their child support liability, simplify the change of assessment rules for altering the amount of child support that is payable, and change the arrangements for parents who wish to make agreements for ongoing child support or lump sum payments.
changes are due to commence on 1 July 2008.

I know that all members of parliament and senators have received many emails, phone calls and letters about the Child Support Scheme. Many people have documented their concerns about the current system and the proposed provisions. I am also aware of many of the stories that have been related by the people involved. This is a very sensitive area of policy and it is one we need to get right. The decisions we make here today will affect how literally hundreds of thousands of families function.

On 14 September the bills were referred to the Senate Standing Committee on Community Affairs, which reported on 10 October 2006. All witnesses regretted the very short time frame the Senate committee had for its inquiry into the bill—except one, as Senator Moore indicated; the department did not list that as a concern. The Men’s Rights Agency commented, and I quote from the Senate report:

I have to say that the lack of time is really quite appalling. I will not say anymore; I think everyone else has covered it. But three days to produce a submission after 300 pages and 200 pages of explanatory memorandum is quite impossible.

This view was shared by the Senate community affairs committee in its report, which stated:

... the legislation is complex, detailed and the timeframe for consideration of the legislation was very short.

The Senate committee went on to recommend:

The Committee ... has considered the Child Support Legislation Amendment (Reform of the Child Support Scheme —New Formula and Other Measures) Bill 2006 to the extent possible in the available time ...

Labor and Greens senators on the committee, in their additional comments to the report, stated:

Labor and the Greens believe that it is unreasonable for the government to expect witnesses to respond and express their views on such a complex and lengthy piece of legislation in such a short period of time.

They continued:

While Labor and Greens Senators are mindful that there are major implementation issues with aspects of the Bill, these issues are not serious enough to have warranted the restricted timeframe imposed on the Committee by the Government.

Labor’s approach to this policy area has always been guided by a set of core principles. Absolutely critical to these core principles is that the interests and wellbeing of children must always come first. Labor has previously expressed its support for child support reform but noted concerns about the potential negative financial impact on low-income, single parent households.

Labor recognises and has stated previously that the package as a whole is carefully crafted by an expert committee, which has endeavoured to provide a balance based on the results of its research. In designing a new payments formula, the task force has based its calculations on research into the actual costs of raising children. The most significant change in the bill is the introduction of a new formula for calculating the child support payment obligations of non-resident parents, which is to apply from 1 July 2008.

The bill also includes compliance, enforcement and recovery provisions. These provisions must ensure that obligations are being met appropriately. I welcome the fact that the agency will be able to pursue non-resident parents who fail to provide for their children, given that only half of non-resident parents meet their child support obligations in full and on time—a long overdue and
much needed improvement. The difference between the current formula and the proposed formula for child support liability is that the current formula is calculated using fixed percentages of income and the proposed formula is based on evidence received on the actual costs of raising children, shared parental responsibility and the level of parental care. Analysis undertaken for the ministerial task force showed that, under the new formula, low-income families could experience reduced child support payments.

Labor and Greens senators of the Senate committee highlighted their concern in their comments:

... [we] are very concerned, however, that there is no publicly available modelling to estimate the impact of the new system on existing child support recipients and payers. The lack of analysis is doubly concerning given that the Government has made no provision to protect low income families who may lose income as a result of the Bill.

It is our understanding that the CSA will reassess all clients’ payments under the new formula once the Bill is passed and before it comes into effect on 1 July 2008.

The Department of Families, Community Services and Indigenous Affairs, as the agency with policy responsibility for the Bill, should produce modelling to quantify the impact on existing child support customers, and make provision to protect low income households who may lose income. Such protections are critical given the risk of poverty already confronted by these families.

Labor’s view is that there has been failure to make adequate transitional arrangements for people who may lose under the new arrangements. In evidence to the Senate committee, Professor Parkinson and the Australian Institute of Family Studies both agreed that this was the case. Professor Parkinson also noted that the costs of child-rearing in families with very low incomes are now largely met by family payments. However, no evidence was produced to support this argument. The department indicated that it would undertake regular monitoring and evaluation of the impact of the new arrangements on affected families. The Australian Institute of Family Studies also indicated to the Senate inquiry that it would have an ongoing role in tracking the implementation of the new scheme, including finetuning the formula over the long term if required.

It is critical that the government implement adequate transitional arrangements and make sure that ongoing monitoring and evaluation is effective to ensure that these changes do not lead to income reductions for low-income families, who are already some of the most vulnerable in the community. We must be vigilant to ensure that these provisions do not cause these families to be worse off. As a result, the Labor Party will move to establish a Senate inquiry next year to properly examine the impact of the bill, particularly to examine whether any of these families are worse off. I hope the terms of reference for the inquiry, to be moved next year, will be supported by all senators.

Senator KEMP (Victoria—Minister for the Arts and Sport) (12.07 pm)—In response to the comprehensive recommendations made by the Ministerial Taskforce on Child Support, chaired by Professor Patrick Parkinson, the government has commenced the reform of the Child Support Scheme. This will ensure that the scheme works in the best interests of children while balancing the interests of parents and reflecting community expectations.

The first stage of the reforms commenced in July this year, and the Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Bill 2006 delivers the legislation for the remaining two stages of the reforms. The bill also complements our recent reforms of the family law system. In particular, both the family law changes and the present
bill aim to encourage shared parenting and to reduce conflict. The government is backing these reforms with a commitment of nearly $400 million to establish a network of family relationship centres and relationship support services in the community. One of the task force’s major findings was that the Child Support Scheme needed updating because of substantial changes in Australian society and in the situations of many Australian families since the scheme’s establishment in 1988.

The community has expressed concern about how children and their parents have coped following marriage and relationship breakdown. This was evident in the House of Representatives Standing Committee on Family and Community Affairs report on child custody arrangements in the event of family separation. The report, Every picture tells a story, recommended that a task force be established to examine the child support formula. In addition, people are more aware of the importance of both parents remaining actively involved in their children’s lives after separation.

The new scheme is based on fairness to both parents and is focused on the needs and costs of children. It will also be better integrated with the family law and income support systems. These improvements should reduce conflict between parents about parenting arrangements and encourage shared parental responsibility. The new child support formula is at the heart of these reforms. The new formula is based on new expert Australian research on the costs of caring for children based on the level of parents’ incomes and the children’s ages. An income share approach, which means that both parents will have the same amount deducted as self-support, will be used and both parents’ incomes will be considered in establishing the costs of the children. The resulting costs will be apportioned between the parents according to their share of combined income.

In contrast, the new formula draws on Australian research into the real costs of children based on the level of parents’ incomes and the children’s ages. An income share approach, which means that both parents will have the same amount deducted as self-support, will be used and both parents’ incomes will be considered in establishing the costs of the children. The resulting costs will be apportioned between the parents according to their share of combined income.

In order to share non-resident parents’ involvement with their children, parents who care for their children for at least 14 per cent of the time will be recognised as contributing to the costs of the children through their care. In addition, first and second families will be treated equally. This will be done by using the actual costs of the children from the second family rather than a flat amount in working out child support payable for the first family. Another measure means that a resident parent will keep all of their family tax benefit if a non-resident parent has care of their child for less than 35 per cent of nights in a year.
The new formula will be introduced from 1 July 2008, and the Child Support Agency and Centrelink will ensure that parents are notified of the changes that affect them well in advance. The Child Support Agency and Centrelink will establish comprehensive systems to assist parents in adjusting for their new child support arrangements.

A number of reforms are due to commence on 1 January 2007. One major reform is the expansion of the role of the Social Security Appeals Tribunal to provide an independent review of child support decisions. Presently, external administrative review of child support decisions is limited to review by the courts, which can be an expensive, time-consuming and frustrating process. The new arrangements will improve the consistency and transparency of child support decisions and will provide a review mechanism that is inexpensive, fair, informal and quick.

Other changes commencing on 1 January 2007 are amendments to simplify the relationship between the courts and the new Child Support Scheme. These changes include providing parents with better access to court enforcement of child support debts. The changes also align the court’s powers to seek information and evidence in relation to child support matters with those of the Child Support Registrar, thus increasing the court’s ability to understand and investigate matters. The courts will also have increased powers to make interim arrangements in relation to child support cases.

As well as the new formula, other changes are commencing on 1 July 2008. These changes are to improve the overall effectiveness and fairness of the scheme. If parents wish to make agreements between themselves about the payment of child support, including payment by way of a lump sum, the bill introduces changes to provide better legal protection and increased flexibility for these arrangements. Other changes relate to the family tax benefit. The family tax benefit intersects in many ways with the Child Support Scheme. In recognition of this, and to support parents in determining their child support arrangements, child support and family tax benefit will be more closely aligned as a result of the bill. Specifically, the maintenance arrangements for family tax benefit part A will be changed, with the result that reduction under the maintenance income test that applies to payment above the base level will be limited to those children in the family for whom child support is paid.

The bill will also align the income definitions used to calculate child support and family tax benefit. Currently, the respective income definitions lead to varying treatment for certain tax-free amounts, foreign income and fringe benefits. Certain definitions will be broadened. The definition of child support income will now include certain tax-free pensions and benefits that already apply for family tax benefit. The definition of foreign income for child support and family tax benefit will also be widened and they will be aligned with each other. The gross value of reportable fringe benefits, rather than the net value, will apply for the family tax benefit, as it already does for child support. The changes to income for family tax benefit will also apply for child-care benefit.

Another change is to improve the fairness of the minimum payment rules. The minimum payment for non-resident parents who pay child support in more than one case will be about $6.15 per week per case, up to a maximum of three cases. If parents deliberately minimise their income to avoid paying child support they will be required to pay $20 per child per week, up to a maximum of three children, unless they can prove their income is in fact very low.
The bill also recognises that, following separation, parents will have re-establishment costs. Accordingly, parents who use income from second jobs and overtime to re-establish themselves will be able to apply to have their child support calculated taking into account their re-establishment costs. This applies for the first three years after separation. Presently, the Child Support Scheme can create difficulties for parents who separate, attempt to reconcile and then separate again. Under the changes introduced by this bill, parents will be able to suspend child support payments for a period of six months when they get back together again. If the reconciliation is not successful, the resident parent will be able to reinstate the child support assessment without applying again. This measure aims to reduce any further conflict between the parents by removing the pressure of worrying about child support assessment.

Many parents also have financial responsibilities for stepchildren. These parents will now be able to apply to have the stepchild treated as a dependent child under the child support formula for the parent’s first family. There are circumstances in which parents may wish to change their child support assessment. The bill clarifies and simplifies these processes, which are currently very confusing for many parents.

This is a significant package of reforms and will introduce extensive changes to the Child Support Scheme. These changes will ensure that the Child Support Scheme is fairer to parents; therefore reducing conflict, which, as we all know, is in the best interests of children. I commend the bill to the Senate. I believe it should have a speedy passage. It has been very extensively debated and discussed for a considerable period of time. I note the thoughtful contributions made by senators in this debate. Hopefully, this bill can be passed into law as quickly as possible.

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

The Senate divided. [12.22 pm]
(The President—Senator the Hon. Paul Calvert)

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AYES

NOES

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Question negatived.
Original question agreed to.

Bill read a second time.

In Committee
Bill—by leave—taken as a whole.

Senator SIEWERT (Western Australia) (12.25 pm)—by leave—I move Australian Greens amendments (1), (3) and (4) on sheet 5101 revised:

(1) Schedule 1, item 1, page 55 (line 29) to page 56 (line 2), omit subsection 65B(2) and the note, substitute:

(2) The parent making the application must provide evidence to the Registrar concerning the parent’s income (within the meaning of subsection 66A(4)) to demonstrate that his or her current income is:

(a) less than the pension PP (single) maximum basic amount; and

(b) that it would be unjust and inequitable to expect him or her to pay the amount assessed under this section.

Note: If the Registrar refuses to grant an application under this section, the Registrar must serve a notice on the applicant under section 66C.

(3) Schedule 3, item 69, page 157 (after line 13), at the end of section 103W, add:

(4) The SSAT must not make a decision by consent under subsection (2) or (3) in relation to a departure from administrative assessment of child support in accordance with Part 6A of the Act unless it is satisfied that it is just and equitable and otherwise proper to do so, having regard to the matters set out in subsections 117(4) and (5).

(4) Schedule 5, item 28, page 214 (after line 17), at the end of section 136, add:

(5) If:

(a) the court sets aside a child support agreement under this section; and

(b) the court is not satisfied as mentioned in paragraph 117(1)(b) (departure orders); and

(c) the payee has received or will receive benefits pursuant to the agreement;

the court may still make an order that departs from the administrative assessment where it is just and equitable to do so, having regard to the benefits that the payee has already received pursuant to the agreement.

These amendments relate to the SSAT making just and equitable decisions to child support agreements and tax assessment notices. These are recommendations that Professor Parkinson, who chaired the ministerial task force, made on the bill. I understand that the government will be supporting these amendments.

Senator KEMP (Victoria—Minister for the Arts and Sport) (12.26 pm)—The government will accept these amendments. We
have spoken to Professor Parkinson, and he agrees that these amendments should be accepted. I might say that this is one of those rare occasions that I have had as a minister to be standing up on this side of the chamber and accepting an amendment from the Greens. Senator Siewert, we congratulate you. We have had to wait 10 years for this, but this is quite an achievement for you. As I said, the government will be accepting Senator Siewert’s amendments.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (12.27 pm)—I indicate that Labor will also be supporting the amendments, although I am a bit concerned about the unholy alliance that has developed over these amendments! My first reaction was to vote against them purely on that basis. If Senator Kemp agrees with you, Senator Siewert, you have obviously made a huge error! But they are useful additions. Our second reading amendment, which was defeated, went to the same sorts of concerns about measuring the impact of the changes as well as the SSAT issues. We think they are helpful.

We still have very serious concerns about what will happen to the losers out of the formula when the measures are implemented on 1 July 2008. I still think that is the primary issue. We will continue to campaign to make the government focus on those issues. Hopefully, those issues will be for a Labor government to address. But whoever is in power at that time will have to focus very much on the impact of these changes on individuals. There will be losers, and we have to ensure that whatever is implemented protects the interests of children at that time.

While it is a fact that we cannot predict outcomes, because each individual family will have an individual outcome, Professor Parkinson has identified the fact that there will be families who will receive less income as a result of these changes. There are a whole range of positive changes, including compliance, but there will be losers, and they will be in families caring for children. We have chosen not to oppose the bill, but we remain deeply concerned about those issues. We will continue to press for proper consideration of them and for a proper government response in dealing with those who will be worse off under the formula. The amendments moved by Senator Siewert are helpful, and Labor will be supporting them.

Question agreed to.

Senator SIEWERT (Western Australia) (12.29 pm)—I move Greens amendment (2) on sheet 5101 revised:

(2) Schedule 1, item 1, page 68 (after line 19), at the end of Part 5, add:

Division 10—Modelling and analysis of the assessment formula in this Part

79A Modelling and analysis of the assessment formula in this Part

(1) The Minister must:

(a) cause an independent review of the combined impacts of the welfare to work provisions and the assessment formula for child support to be completed nine months before the commencement of this Part; and

(b) establish an independent review committee to oversight the review in paragraph (a)

(2) The review committee established in subsection (1) is to consist of:

(a) a departmental representative from the Department of Employment and Workplace Relations; and

(b) a departmental representative from the Department of Families, Community Services and Indigenous Affairs; and

(c) 3 members from community based organisations with expertise in family law, community services and child welfare; and
(d) 2 academics with expertise in community services and economic modelling.

(3) The review committee must:

(a) conduct an analysis of the combined impacts of welfare to work provisions and the assessment formula for child support in this Part; and

(b) use the services of a reputable economic modelling agency with relevant skills and experience to undertake economic modelling and analysis pursuant to paragraph (a); and

(c) make recommendations to the Minister, with reasons for the recommendations, about possible support measures for those disadvantaged as a consequence of the interactions between the child support assessment formula and the welfare to work provision; and

(d) report on its findings to the Minister by 1 July 2007; and

(e) to consider any additional matter referred to it by the Minister and make recommendations to the Minister on that matter with reasons for the recommendations.

(4) The Minister must cause copies of the review committee’s report to be laid before each House of Parliament within 15 sitting days of that House after the Minister receives the report.

I think this is where the government and the Greens part company, so hopefully some of my reputation is saved. This amendment goes to some of the issues that Senator Evans just touched on—that is, looking at the impact of the formula on low-income families. It requires some modelling to be done and for that to be taken into consideration when the formula is being worked out. As I outlined in my speech during the second reading debate, the Greens have a great deal of concern about the fact that modelling was not carried out on the combined impact of the Welfare to Work provisions and the new assessment formula for child support. We have some concerns about, as I also articulated in my speech during the second reading debate, some of the impacts of the new formula and the fact that it will be lowering incomes for some families. We are talking about families who are already on low incomes and therefore the impact could be quite severe.

When you combine this with the lowering of income through Welfare to Work, there were a number of submissions—for example, the National Council of Single Mothers and Their Children—that pointed out that this could have a significant impact on low-income families. So we believe that there is time to carry out modelling of the combined impact and, given that this has an 18-month lead time and the final formula will not be implemented until 2008, to look at the new formula, to look at the impact on clients receiving child support by implementing the formula and to see if something can be done to redress those issues. We believe this amendment is important to facilitate that modelling through an independent review, getting some experts on modelling and making some recommendations to the minister on implementing the formula.

As I understand it, the Child Support Agency will be calculating the reformulation before 2008—they told us that during the committee inquiry. So I see no reason why the modelling could not be carried out and for the new formula and its interaction with Welfare to Work to be considered, as it is reapplied to all child support agencies, to see which families will be significantly affected and make adjustments for that.

Senator KEMP (Victoria—Minister for the Arts and Sport) (12.33 pm)—I am waiting to see if Senator Evans is going to respond.
**Senator Chris Evans**—I first want to see whether you are going to agree with us.

**Senator Kemp**—I think you are stretching the friendship here, Senator Evans. To agree with three amendments of the Greens has been a huge effort, but Senator Siewert so often argues a very persuasive case. We listened carefully and decided we could agree with the first series of amendments but, Senator Siewert, it will not come as a shock to you to indicate that we will not be agreeing with amendment (2).

I would like to make a couple of points. The new formula does not come into effect until 2008 and, from the government’s point of view, it is meaningless to consider the implications while there is still an extended period of time for parents to change their arrangements as they come to understand the new scheme and especially since, during that time, more than 700,000 cases will be individually reviewed by the Child Support Agency. The data, I should also point out, is not available until the Child Support Agency does that review.

Other avenues from the government’s point of view are more appropriate to examine the effects of the reforms in combination with other government policy. Let me list a number of them: the ongoing work of the performance monitoring and research working group, which reports to the steering committee overseeing the child support reforms; modelling of the child support reforms and other government policy as proposed by Professor Patrick Parkinson, chair of the ministerial task force—the government is committed to ongoing monitoring of the effects of the scheme as recommended in the task force report; and research and evaluation already scheduled to be carried out over the next three years. That is quite an impressive list. It includes the establishment of a baseline dataset; research into labour force participation of parents—that is, payers and payees; research into the cost of child care; survey of community attitudes; survey of client satisfaction with the Child Support Agency; investigation of the reforms on the compliance with child support liabilities; and, finally, collaborative work on mental health, parenting patterns, family relationship services and changes to overall financial support, including the Welfare to Work changes.

Senator Carol Brown made a number of observations in her remarks. I have got some advice, which may provide comfort to Senator Brown, that ongoing consultation will happen through the child support national stakeholder engagement group. Members include the relevant government agencies, advocacy groups, customer representatives, research organisations, review bodies and service providers, including ACOSS, the Australian Institute of Family Studies and the Commonwealth Ombudsman. The first meeting is on 13 November.

We all accept these are significant reforms. We understand the concerns that you put forward, Senator Siewert. I hope you feel that the responses the government have made are adequate. We are equally keen to make sure that there is ongoing consultation to monitor the effects of these changes, but we will not be accepting the amendment that you have proposed. However, as I have said, there is a great deal of ongoing work which will be done and I think that should give some comfort to senators.

In a former manifestation I was the minister responsible for the Child Support Agency, when it was attached to the tax office, and I am well aware of the challenging nature of that particular area of the portfolio, the difficulties that are involved and the balancing of decisions that governments have to do, and I congratulate the minister involved on bring-
ing these reforms so far. It has been a mighty effort. I know that a lot of work has been done with other senators, and a lot of people have made significant contributions. Senator Siewert, we have listened carefully to you, as we always do, but we will not be accepting this particular amendment.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (12.37 pm)—I indicate that Labor will support the amendment. The minister’s assurances are similar to those that were given to senators, including Labor Party members, in a briefing by the department organised by the minister’s office—for which I thank him—but, quite frankly, they are not reassuring enough. I am concerned that a lot of those reviews do not go to the heart of the matter, which is the impact on families from 1 July 2008, when—bang!—their conditions change. I think we do need to know, before that date, what the impact of the changes will be. I do not want to have a situation where the government tells us three years later, after all its reviews have occurred, that there were problems, people did suffer and, ‘We are going to implement some improvements some time down the track.’ That is the greatest fear.

Labor have supported the Parkinson review and its implementation package. We have given bipartisan support. We have tried not to politicise what are very major changes to the child support system, but on every occasion we have sought to stress our concern about the impact on families who may be disadvantaged under the new formula and the effect on people caring for kids who will have less income as a result of the changes. They are the issues that the Parkinson review identified, warning about those changes.

It seems to me we have an obligation as a parliament to be right on top of those issues and to make sure that we have the ability to make an appropriate response, and I am not convinced that the government is organised in such a way that it can do that. I would think that as a sign of good faith, given the support the government has had from the parliament on these issues, it should be able to commit to a process that is much more rigorous and allows far more speed in analysing what occurs. I take on board all the arguments about the 700,000 cases that will have to be reviewed and the complexity of that; in fact, I still have my doubts that you will get there by 1 July 2008. With no disrespect to the staff involved, the reality is that huge government system changes have not gone smoothly in the past. If this one goes smoothly, it will probably be the first, and it is a very complex system the government is seeking to implement.

So I do not underestimate the problems. I do not question that the government is not in a position to provide all the information we would like to see now in terms of the impact on people. Other than the modelling that was done for the Parkinson task force, we are unable to go further at this stage—and I accept, when I am assured that is the case, that is accurate advice. But I know that in the first stage of the implementation of the reforms, when the high-income earner issue was addressed, a number of families got very little notice that their income was going to be reduced. I got a number of letters from people who were seen in the system generally as being better off because the main income earner, the non-resident income earner, was on a high salary and therefore the amount of child support paid was quite high. Nevertheless, there was a substantial cut in income to the resident carer, even though that came off a high base. We all live according to the means that we have at any one time and, for a number of those people, those changes did apply pressure. Most people, like me, live on the basis of spending 10 per cent more than
they earn, it seems. But the reality for them was a sudden drop in income and a need to make adjustments to their lives with very little warning—and they were rightly concerned about that.

What I really want the government to focus on is that that is the threat that will come with these changes. That is the issue that the parliament and the government have got to be right on top of, and the assurances the government have provided to me are not sufficient to ease my concern. They are not sufficient to ease the concerns of Labor senators and members more generally, and we attempted in our second reading amendment to raise the same sorts of issues that Senator Siewert has—the same sorts of issues that members from both sides have been concerned about. The government response is not adequate. I do not impute bad motives to them, but, come the day that the changes hit, there will be problems for people, and I think the parliament ought to know as much about those as we can beforehand and the government ought to have considered what they can do to help. So I will be supporting the amendment moved by Senator Siewert, but I will also be letting the government know that this is not going to go away and we are going to be constantly focusing on this issue until we get a more adequate response.

Question negatived.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

**Third Reading**

**Senator KEMP** (Victoria—Minister for the Arts and Sport) (12.44 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**AUSTRALIAN PARTICIPANTS IN BRITISH NUCLEAR TESTS (TREATMENT) BILL 2006**

**AUSTRALIAN PARTICIPANTS IN BRITISH NUCLEAR TESTS (TREATMENT) (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) BILL 2006**

**Second Reading**

Debate resumed from 12 October, on motion by **Senator Ellison**:

That these bills be now read a second time.

**Senator ALLISON** (Victoria—Leader of the Australian Democrats) (12.44 pm)—On behalf of the Democrats I wish to make some comments on the provisions of the Australian Participants in British Nuclear Tests (Treatment) Bill 2006 and the Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Bill 2006. This legislation is the government’s response to the findings from the dosimetry and mortality in cancer incidence study of the Australian participants in those tests, which were released in June this year. The study identified increased cancer rates and cancer deaths amongst participants of the tests. Cancer rates were in fact 23 per cent higher among the participants than in the general population and death rates were 18 per cent higher. This legislation essentially provides the equivalent of a veteran’s white card for cancer testing and treatment of surviving participants in those tests during the 1950s and 1960s.

The Democrats support efforts, however long overdue, to provide fair and just treatment to those Australians who were involved in the tests. This is a welcome step in the right direction: a bill providing for non-liability treatment for cancers for the participants. It is now 50 years since the tests took place. Many people were exposed to the radiation and it has harmed them. These people
have been poorly treated in our view over the last half a century or so. Indeed, about half of the test participants—that is some 5,000 to 6,000 people involved in the tests—have died without recognition and without justice.

Unfortunately, this bill does not go far enough. It is an inadequate and miserly response. It does nothing to address the long-standing issues that service personnel and civilian participants have been asking to have resolved. The reality is that the people involved in the tests are getting older and the longer the government takes to respond to their concerns the fewer participants will be around to benefit.

It took years for the government to commission the study into the health consequences of exposure to radiation at the test sites and it took a further seven years for them to finish the study. I acknowledge that this is a difficult area to research and to find hard evidence. It was difficult because a lot of that evidence was kept secret, or in fact was not kept at all or was tossed away. Research gets harder of course the longer it is put off, but it does need to be acknowledged that there have been many criticisms of this government funded research—its methodologies, the findings, the processes involved in overseeing the report and of course the way that government has interpreted and used it. Those criticisms include: the nominal roll of participants used to create the sample for the study was deficient; the radiation dosages allocated to participants in the study were underestimated and the effects of the radiation dosages were underestimated. The evidence was said to be inadequate to explain the higher rate of cancer among the nuclear test participants by other, non-radiation, causes.

The study assessed the correlation between all cancers experienced by the study population and radiation doses, instead of focusing on the correlation with increased cancer experience. The study ignored what is commonly referred to as the ‘healthy soldier’ effect, instead preferring to use the general population as a comparison. The study did not include cancer related deaths in the assessment of cancer incidence in the study population. The study focused on ionising radiation and did not assess the health impacts of exposure to other substances related to participation in the tests, such as asbestos, beryllium and highly enriched uranium. It did not address other non-cancer effects of participation in the tests such as sterility, defective immune systems and the like. Due to lack of data the study did not cover the period prior to 1982, and other studies indicate that the incidence of cancer and cancer deaths among test participants may have been highest then. And the study did not include Indigenous people and others exposed to the effects of the tests such as pastoralists. All of these criticisms identify ways in which exposure to radiation and consequent illness would have been underestimated. It needs to be pointed out that these criticisms have been raised on a number of occasions and in various ways, but the government has failed to respond in any meaningful sort of way.

The government also ignores the recommendations from the Clarke review. Back in 2003 that review recommended:

Participation by Australian Defence Force personnel in the British atomic tests be declared non-warlike hazardous and the legislation be amended to ensure that this declaration can have effect in extending VEA coverage.

The review also recommended that the cancer and mortality study be finalised quickly. As I said, the participants in the tests had to wait three more years for the study results, and then all they have is this lame response. The committee’s main report acknowledges that, according to the Clarke report, coverage as hazardous service under the VEA would
provide greater entitlements than offered by this legislation, particularly to the widows of service people.

The fact is that this legislation provides an ability to treat people for cancer but it does little else. It does nothing to respond to the other health needs of participants. It does not respond to the health needs that the children of participants may have. It does not do anything for the partners and families of participants who have died as a consequence of their exposure to radiation during the tests. And the legislation does not go to the question of compensation—and that is the glaring deficiency in terms of this legislation.

Compensation, as we all know, has been very difficult for these victims to obtain. Only nine cases to date of compensation related to the effects of ionising radiation have been made by the Australian government under the Safety, Rehabilitation and Compensation Act 1988. The current compensation pathways present many difficulties for participants trying to obtain compensation. It is time consuming, very expensive and places the burden of proof on the individual. I might say that it is also the case that the government has fought these cases actively. In 2006 there were no successful cases under that scheme. These individuals of course have difficulty accessing hospital and dosage records and are ill-matched to meet the resources of the government.

The government, through the provision of these compensation payments to a small number of successful claimants, has acknowledged its liability for exposure to radiation during the tests. The compensation provided by the British government and subsequent efforts to remediate Maralinga are also recognition of the contamination resulting from the tests. The government has finally recognised that it has an obligation to provide at least cancer treatment for test participants.

We say that the government should act with integrity towards those who participated in the tests and their families. It should stop hiding behind denials of the consequences of exposure to radiation and address the issue of compensation. But the government has missed the point. This is not simply about health care for cancer; it is about a great debt that Australia owes to those who were exposed to, in some cases, very high levels of radiation as a result of being participants. Often those people did not understand that this was likely but went in good faith to work on those tests. Some would say that their reward was grossly inadequate.

Senator HURLEY (South Australia) (12.53 pm)—This legislation is of particular interest to me because many of the people involved still live in my home state of South Australia, or their families do. Labor supports the Australian Participants in British Nuclear Tests (Treatment) Bill 2006 and the Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Bill 2006 in their provision of non-liability treatment and testing of cancers among participants in the British nuclear tests in Australia.

Whilst Labor does support these bills, it should be noted that the bills do little to address the longstanding issues of recognition and compensation for the ill effects that are claimed to have been suffered by the nuclear test participants. The issues of recognition and compensation are especially pertinent to the Australian servicemen who participated in the tests. These servicemen have argued for a long time that their service should be classified as ‘non-warlike hazardous’ under the Veterans’ Entitlements Act. They argue that a declaration of non-warlike hazardous
service is justified due to the very unique nature of the tests.

The decision to grant a declaration of non-warlike hazardous service for any conflict or group can often be very controversial. Therefore, it is no surprise that the government asked the Clarke review to examine the standing of the Australian servicemen in respect of the VEA. The 2003 Clarke review examined this issue. Their conclusions were as follows:

The Committee believes that the British atomic test series was a unique, extraordinary event in Australia’s history. Atomic devices were exploded in Australia, with Australian forces potentially exposed to levels of radiation beyond what would today be considered safe levels. By common sense and by any reasonable measure, service in the test operations must be regarded as involving hazards beyond those of normal peacetime duties. There is evidence that members of Australia’s armed services were placed in danger from ionising radiation and other toxic materials used in the test program, and natural justice for these members is long overdue. The Commonwealth Government should provide these members of Australia’s armed services with compensation coverage under the VEA.

The Committee considers that service with the British atomic tests should be assessed as non-warlike hazardous service for the purposes of the VEA. A declaration of non-warlike hazardous service would provide the ADF personnel who participated in the testing program with, at least, immediate and free health care for all cancers and for posttraumatic stress disorder whilst claims for compensation are made and determined under the VEA.

The Committee notes the development of a nominal roll of Australian atomic test participants. While it appears that many of the people whose names are on the preliminary roll may have left test sites prior to any tests being undertaken, the Committee also notes advice from DVA that the Department is aware of concerns about the accuracy of the roll and that work is continuing to refine it further. The Committee also notes that a proposal for reconstruction of dosage estimates is being considered. These matters need to proceed quickly and Government should assist with additional resources if necessary. The Government should also consider thoroughly addressing the concerns of the atomic test participants about access to records.

The committee recommended that:

Participation by Australian defence force personnel in the British atomic tests should be declared non-warlike hazardous and the legislation should be amended to ensure that this declaration can have effect in extending VEA coverage.

The Government move quickly to finalise the cancer and mortality study.

With these bills today, the government appears to have ignored these recommendations of its own taxpayer funded independent review. Not only has it ignored the recommendations of this independent review but also it has ignored a wide variety of ex-service organisations.

The Senate Standing Committee on Foreign Affairs, Defence and Trade examined these pieces of legislation and the report was tabled yesterday after a public hearing on Monday. At the public hearing a number of ex-service organisations supported bringing the servicemen who participated in the tests under the VEA. These organisations included the RSL, the Australian Nuclear Veterans Association, the National Servicemen’s Association of Australia, the Regular Defence Force Welfare Association, the Injured Service Persons Association and the Australian Veterans and Defence Services Council. It is a shame that the government has failed to take the advice of these organisations in its decision to not extend coverage under the VEA for servicemen who participated in the tests.

I must admit that I find the minister’s refusal to implement this recommendation disappointing given that, when he was a backbencher, he wrote a submission to the Clarke
review on this issue. I would now like to quote from it. It says:

Of all the individual cases and VEA ‘disappointments’ I have canvassed ... two distinct classes of claims seem unfairly treated.

I write in support of operational service such as mine clearing and nuclear veterans’ service being declared Hazardous Service under the Veteran’s Entitlements Act 1986.

Nuclear Veteran’s service should be declared as Hazardous service by the Review of Veterans’ Entitlements (Clarke Review), as Australian Defence Force (ADF) personnel involved in the British atomic tests in Australia were placed in a life threatening environment. Only now are they and the community experiencing the true consequences of their service, in particular, the devastating impact of exposure on the health and well-being of our veterans.

A high proportion of our veterans involved in the atomic tests have experienced conditions attributed to their exposure to radiation, with many losing their lives.

The current minister, then a backbencher, concludes:

Veterans involved in British Atomic tests and mine clearance exercises deserve to be recognised as having carried out Hazardous Service. Although the battlefield may be less conventional the threat to life and the danger to which our veterans were exposed amount to an active deployment into harms way.

This raises the question of why the minister has dropped his support for the atomic test veterans. Why, when the minister finally had the chance to fix what he himself has called ‘unfair treatment’ and ‘disappointments’, did he not take it? Why, when so many ex-service organisations have come out in support of the Clarke recommendations, has the minister ignored them?

Labor support the bills, especially the awarding of non-liability treatment to all participants. However, servicemen are not included. Our position is that the government has not gone far enough and that, under the VEA, this legislation should have also awarded coverage to servicemen. It has been a longstanding position of the Labor Party that, when in government, we will reconsider this government’s refusal to recognise the service of the atomic test veterans as ‘non-warlike hazardous’.

Finally, I urge the minister to read the committee report and to consider some of the issues that were raised with regard to the health study which formed the basis of this legislative response. The committee report noted criticisms of the study—which Senator Allison outlined in her contribution—which included that the nominal roll of participants used to create the sample for the study was deficient; the radiation dosages allocated to participants in the study were underestimated; the effects of the radiation dosages were underestimated; and there was insufficient evidence to explain the higher rate of cancer among the nuclear test participants by other non-radiation causes. Further, the study assessed the correlation between all cancers experienced by the study population and radiation doses, instead of focusing on the correlation with increased cancer experience. The study did not include cancer related deaths in the assessment of cancer incidence in the study population. The study focused on ionising radiation and did not assess the health impacts of exposure to other substances related to participation in the tests, such as asbestos, beryllium and highly enriched uranium. The study did not address other non-cancer health effects of participation in the tests, such as sterility and defective immune systems, due to lack of data. The study did not cover the period prior to 1982, when other studies indicate that the incidence of cancer and cancer deaths among test participants may have been highest. The study did not include Indigenous people and others who were exposed to the effects of the tests.
It should be noted that the committee in no way could validate any of these concerns. However, the committee noted its concern that the department’s conduct of the consultation process had drawn criticism from a range of people and organisations. I urge the minister to address some of these concerns, and I suggest that he organise meetings with some of the more strident critics of the health study. While these bills do not go far enough and fail to address the issue of recognition for servicemen, Labor will support them. We hope that they will make a big difference to those most in need of this treatment.

**Senator ALLISON** (Victoria—Leader of the Australian Democrats) (1.02 pm)—I move the second reading amendment standing in my name:

At the end of the motion, add “and the Senate:

(a) notes the criticisms of the findings and methods of the Australian Participants in British Nuclear Tests in Australia Dosimetry and Mortality and Cancer Incidence Study;

(b) affirms that the bill does not preclude subsequent compensation claims and arrangements; and

(c) recommends consideration of continued data collection and epidemiological studies of cancer incidence and deaths subsequent to 2001”.

**Senator SANDY MACDONALD** (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.03 pm)—The Australian Participants in British Nuclear Tests (Treatment) Bill 2006 and the Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Bill 2006 give effect to the government’s decision to provide non-liability treatment and testing for cancer for eligible Australian participants of the British nuclear tests. I thank Senator Hurley and Senator Allison for their general support of the legislation. The government will not be accepting the second reading amendment moved by Senator Allison on behalf of the Democrats. However, the decision on the amendment will made by the Senate.

The government has recognised the special health needs of some nuclear test participants identified through the Mortality and Cancer Incidence Study conducted on behalf of the Repatriation Commission. Although the study found that the rate of some cancers among nuclear test participants was higher than in the general Australian population, it did not link the increase in cancer rates to exposure to radiation. Despite this lack of association between cancer rates and radiation exposure, the government has decided that it is appropriate to provide treatment for nuclear participants who have any form of cancer.

Persons who may be eligible under this legislation are Australian Defence Force personnel, Australian Public Service employees and third-party civilian contractors. Treatment will be provided through the Department of Veterans’ Affairs, and persons eligible will have access to extensive healthcare services, including GP services, hospital care and pharmaceutical benefits. Persons eligible under this legislation will also be entitled to travelling expenses for costs incurred in receiving treatment or testing for cancer. Furthermore, Australian nuclear test participants will have continued access, under the Safety, Rehabilitation and Compensation Act 1988, to existing statutory workers compensation schemes and to the administrative scheme administered by the Department of Employment and Workplace Relations.

These bills will also assist in addressing the health needs of the Australian military and civilian personnel who participated in the British nuclear tests and they demonstrate this government’s commitment to this group of Australians. I commend these bills
to the Senate and note their part in providing
good social policy outcomes for Australia’s
veteran community to whom we owe so much.

Question negatived.
Original question agreed to.
Bills read a second time.

Third Reading
Bills passed through their remaining
stages without amendment or debate.

MARITIME LEGISLATION
AMENDMENT (PREVENTION OF
POLLUTION FROM SHIPS) BILL 2006
Second Reading
Debate resumed from 6 November, on
motion by Senator Santoro:

That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (1.07
pm)—This Maritime Legislation Amend-
ment (Prevention of Pollution from Ships)
Bill 2006 will amend the Navigation Act
1912 and the Protection of the Sea (Preven-
tion of Pollution from Ships) Act 1983, im-
plementing two revised annexes to the Inter-
national Convention for the Prevention of
Pollution from Ships, or the MARPOL con-
vention: annex I, ‘Prevention of pollution by
oil’; and annex II, ‘Prevention of pollution
by noxious liquid substances’. The Interna-
tional Maritime Organisation adopted the
revised annexes in October 2004 and, like
most international agreements, there is a long
lead time before they come into force—in
this case it is 1 January 2007. Australia is a
member state of the IMO and this bill is re-
quired as part of Australia’s obligation as a
member.

Revised annex I, ‘Prevention of pollution
by oil’, incorporates the amendments
adopted since the 1983 MARPOL agree-
ment. This includes the regulations on the
phasing-in of double-hull requirements for
oil tankers. In addition, separate chapters
have been created for the construction and
equipment provisions out of the operational
requirements, and makes clear the distinct-
tions between the requirements for new ships
and those for existing ships. The new re-
quirements in the revised annex include: for
oil tankers constructed on or after 1 January
2007, pump-room bottom protection on oil
tankers of 5,000 tonnes deadweight and
above; and for oil tankers delivered on or
after 1 January 2010, accidental oil outflow
performance. Construction requirements for
these tankers are to provide adequate protec-
tion against oil pollution in the event of
stranding or collision. Both of these changes
are a step forward in protecting the environ-
ment in the case of accidents.

Revised annex II includes a new four-
category system for noxious and liquid sub-
stances. These new categories are: category
X, noxious liquid substances that, if dis-
charged into the sea from tank cleaning or
deballasting operations, are considered to
present a major hazard to either marine re-
sources or human health; category Y, noxious
liquid substances that, if discharged into the
sea from tank cleaning or deballasting opera-
tions, are considered to present a hazard or
cause harm to amenities or other legitimate
uses of the sea; category Z, noxious liquid
substances that, if discharged into the sea
from tank cleaning or deballasting opera-
tions, are considered to present a minor haz-
ard to either marine resources or human
health; and other substances which have
been evaluated and found to fall outside of
the previous three categories because they
are considered to present no harm to marine
resources, human health, amenities or other
legitimate uses of the sea when discharged
into the sea by those operations previously
mentioned. The discharge of bilge, ballast
water, other residues or mixtures containing
these substances are not subject to any requirements of MARPOL annex II.

Technological improvements in ship building, such as efficient stripping techniques, have made possible significantly lower discharge levels of certain products; therefore, this has been incorporated into annex II. For ships constructed on or after 1 January 2007, the maximum permitted residue in the tank and its associated piping left after discharge will be set at a maximum of 75 litres for products in categories X, Y and Z. This compares with previous limits that set a maximum of 100 or 300 litres, depending on the product category. This is a significant reduction.

Alongside the revision of annex II, the marine pollution hazards of thousands of chemicals have been evaluated. This has resulted in a hazard profile which indexes the substance according to its bio-accumulation, biodegradation, acute toxicity, chronic toxicity, long-term health effects and effects on marine wildlife and on benthic habitats—that is, the habitat of animals and plants that live on the floor of the sea. This is also a significant advance. It is very important that the detrimental effects of substances are known. This assists in cases of accidental spills and knowing the required action that needs to be taken. Vegetable oils, which were previously categorised as being unrestricted, will be carried now in chemical tankers. The revised annex includes provision for the administration to exempt ships certified to carry individually identified vegetable oils, subject to certain provisions relating to the location of the cargo tanks carrying the identified vegetable oil.

In all, this is a welcome piece of legislation which the opposition will support. In relation to ships’ cargoes, we have seen in the news recently the story of a vessel held off the coast of Australia because it is reputed to have a stowaway on board—a macaque monkey. It probably sounds amusing that there is a monkey on board that no-one can catch. Unfortunately, these monkeys are known to carry diseases which are a significant risk to Australia’s quarantine environment. I understand that if the monkey is not caught and euthanased before arrival, the vessel will be required to tie up away from a berth until the monkey is caught and euthanased. I welcome that. That is entirely appropriate. But the contrast that I cannot help but make is this: a whole range of vessels come to our coasts with crews whose identities are only communicated to us by fax a matter of hours before the vessels arrive, whose passports are not able to be seen before their arrival and whose identities cannot be checked other than against a register of known terrorists.

Hundreds and thousands of vessels arrive on our coasts in those circumstances and we do not hold the vessels offshore. We do not restrict in any significant way the entry of vessels other than to require the supply of the names of the crew in a way that, frankly, does not give me confidence that we can really know the identity of every crew member of every vessel that arrives in Australia. So there is one standard in relation to quarantine—and quite an acceptable one—and another standard in relation to the crews of foreign flagged vessels arriving in our ports. I wonder if Australians are comfortable with that. We will support this legislation. It is important maritime environmental legislation and it is this nation’s obligation under conventions we have signed—a welcome trend from the government in that regard.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.14 pm)—I thank Senator O’Brien for his contribution to the debate on the Maritime Legislation Amendment (Prevention of Pollution from Ships)
Bill 2006. I will just make a few comments to sum up. Firstly, the legislation is necessary to align Australia’s requirements with our international obligations as a member state of the International Maritime Organisation, the IMO, and a party to the International Convention for the Prevention of Pollution from Ships 1973/78 known, as Senator O’Brien said, as MARPOL. The bill covers two elements of MARPOL: annex I, which covers the prevention of pollution by oil, and annex II, which covers the prevention of pollution by noxious liquid substances. The revised text of annex I and annex II was adopted by the International Maritime Organisation in October 2004 and will enter into force internationally on 1 January 2007.

The internationally agreed amendments to annex I and annex II, as I said, will come into effect on 1 January 2007. The revised annexes will allow Australia to enforce more stringent technical requirements to protect the marine environment and human health from oil and chemical pollution, thus demonstrating the government’s continuing efforts to enhance Australia’s maritime pollution prevention regime. I might add that industry supports these amendments. The enactment of the proposed act will provide Australia with consistent national standards that could be applied to all Australian ships as well as foreign ships operating in Australian waters. The enactment will also ensure the protection of Australia’s maritime environment and human health through the application of current and enhanced environmental standards. I 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.

HOUSING LOANS INSURANCE CORPORATION (TRANSFER OF PRE-TRANSFER CONTRACTS) BILL 2006

HOUSING LOANS INSURANCE CORPORATION (TRANSFER OF ASSETS AND ABOLITION) REPEAL BILL 2006

Second Reading

Debate resumed from 11 October, on motion by Senator Coonan:

That these bills be now read a second time.

Senator SCULLION (Northern Territory) (1.18 pm)—I seek leave to incorporate Senator Murray’s speech.

Leave granted.

Senator MURRAY (Western Australia) (1.18 pm)—The incorporated speech read as follows—

The purpose of the Housing Loans Insurance Corporation (Transfer of Pre-transfer Contracts) Bill 2006 is to enable the Commonwealth to transfer its ownership of any residual mortgage insurance contracts written by the Housing Loans Insurance Corporation prior to its restructure and abolition in 1997 to another person and following on from that is the Housing Loans Insurance Corporation (Transfer of Assets and Abolition) Repeal Bill 2006 which is to repeal the Housing Loans Insurance Corporation (Transfer of Assets and Abolition) Act 1996. Much of that Act is now redundant and the operative provisions in the repealed Act are included in the accompanying HLIC (Transfer of Pre-transfer Contracts) Bill 2006.

These two Bills bring to a conclusion the selling off of a well performing government asset by the Coalition Government. The Democrats opposed the sale of the Housing Loan Insurance Corporation at the time, as they have opposed the sale of a number of other well-performing government assets before and since.

The Housing Loan Insurance Commission insured home loan lenders against losses secured by mortgages, and aimed to increase home loan affordability for low and middle income earners. It
was a successful and profitable statutory authority. However, this Coalition Government did not see its role as continuing to provide such a service to low and middle income earners and sold it off in 1997.

It has to be said that the Opposition’s track record in this respect is not commendable either, as the initial legislation to sell the HLIC was introduced by the Keating Government and that Government oversaw the sale of several quality government assets into the private sector during its tenure. Many would argue that Labor began the trend to privatisation of government assets which has been so thoroughly embraced by the current Government.

Even though the Democrats opposed the legislation which sold off the HLIC we are not opposing these two bills as they are simply administrative in nature and clean up the financial loose ends that were left behind from the sale of the asset.

One of the reasons I wanted to speak on these Bills is the presence in them of special appropriations. As the Senate is aware, this is a matter of ongoing concern to me and many others, and I have spoken on it several times in the past.

It is also a matter upon which the Auditor General has reported in Audit Report No. 15 2004-05 Performance audit—financial management of special appropriations and is of concern to the Scrutiny of Bills Committee which in 2005 prepared a report on Accountability and Standing Appropriations.

As I have pointed out in the past, the number of special appropriations has increased steadily during the life of the Commonwealth. In 1909-10 they were only 10% of the total Commonwealth expenditure and by 2002-03 they accounted for 80% of it.

Every year we are presented with the annual appropriations for the year. However those figures do not represent the full annual expenditure of the Government because tucked away in bills, like these two bills, are special appropriations which commence with the passage of the legislation and have no fixed end. They could represent a bottomless pit of taxpayers’ money going out from consolidated revenue with little accountability to the Parliament.

This brings into play issues of transparency and accountability, a matter which was raised by the Auditor General in his report. And I quote: The sound governance, management and reporting of appropriations requires certainty, clarity and consistency in the application of the Commonwealth’s financial management framework. The audit findings indicate that the manner in which the financial framework has been interpreted and implemented has not been consistent with those characteristics. While many of the issues are quite technical, in a legal sense there are important considerations of appropriate accountability, including transparency, in relation to the Parliament. Overall, ANAO considers that there have been significant shortcomings in the financial management of various Special Appropriations. Given the fundamental importance of appropriations to Parliamentary control over expenditure, changes need to be made to secure proper appropriation management in the Commonwealth. In particular, there has been inadequate attention by a number of entities to their responsibility to ensure that a correct, valid appropriation to support a particular payment has been identified before spending funds from the CRF, and to accurately disclose their use of Special Appropriations.

Some of the concerns raised in that report have been addressed, but there is still some way to go.

The Scrutiny of Bills Committee identified concerns regarding appropriations. I would draw the Senate’s attention to the paragraph in that report which pointed out that allowing the executive government to spend unspecified amounts of money for an indefinite time into the future might infringe on the Committee’s term of reference relating to delegation and exercise of legislative power. Not only that—it is not a transparent or accountable way in which to govern.

Of course that is not to deny that special appropriations are sometimes necessary, unavoidable and desirable, but they need to be much less of a general rule than they are at present.

The Committee called for the inclusion of an explanation in a Bill’s Explanatory Memorandum as to the reason for an appropriation and why it was more suitable for it to be included as a special
appropriation rather than as an annual appropriation.

I am pleased to see that the EMs for these bills do provide such an explanation and in all the circumstances outlined in the EM, the reasons for the appropriations seem, on the face of it, to be reasonable. The EMs also confirm that the accountability to Parliament will be met through the Treasury Portfolio Budget Statements and the Treasury Annual Report.

However this still leaves the fact that there is no end date for these appropriations. The presumption is that they will lapse when payments under any agreements have been made, or when transfer of all assets is complete. Given the attention that special appropriations have received from the Scrutiny of Bills Committee and the Auditor General, I think it would be proper for an end date to be articulated in the Explanatory Memorandum or confirmed by the Minister in his second reading speech, and if that cannot be forecast now, for a periodic review to confirm the status of the standing appropriation.

As the Committee pointed out, it remains for the Senate to determine whether, in the circumstances of the legislation, special appropriations are suitable for the purposes for which they are proposed.

After scrutinising the relevant paragraphs of these Bills, these particular appropriations appear to be suitable for the purpose intended. We do not seek to amend the Bills. We do, however look forward to receiving reports in the Treasury Portfolio Budget Statements and the Treasury Annual Report as to how the money appropriated has been spent and a report as to when they are finally completed. Accountability must be observed.

I ask the Minister for an assurance that the special appropriations will be repealed as soon as they are exhausted and not left lying on the statute books for some creative/illegal/improper use of them in the future, in the light of the Auditor-General’s report, and some real worries that have emerged in terms of the use of some standing appropriations.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.18 pm)—In anticipation of reading your contribution, Mr Acting Deputy President Murray, now that it has been incorporated, I thank you for your contribution and I thank Senator Scullion for moving the incorporation. It will be up to your usual standard, Mr Acting Deputy President, which is much higher than the standard of most speeches either given in this place or incorporated.

The ACTING DEPUTY PRESIDENT (Senator Murray)—You are too kind.

Senator SANDY MACDONALD—These bills provide the framework for the government to divest ownership of the Commonwealth residual mortgage insurance contracts to an acquirer at such time as an agreement to do so has been reached. The need to wind up the Commonwealth involvement in the lenders mortgage insurance business has long been recognised by the government. These bills enable the government to achieve this and I commend the bills to the Senate.

Question agreed to.

Third Reading
Bills passed through their remaining stages without amendment or debate.

DEFENCE FORCE (HOME LOANS ASSISTANCE) AMENDMENT BILL 2006

Second Reading
Debate resumed from 16 October, on motion by Senator Santoro:

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (1.20 pm)—The Defence Force (Home Loans Assistance) Amendment Bill 2006 amends the act which was introduced in 1999 to assist eligible Australian defence personnel and ex-members to purchase their own home. For ADF personnel, assistance with housing, in latter years, has been a most
valued benefit, building on the assistance also traditionally provided to veterans returning from overseas engagements. These days, of course, the differential for serving ADF personnel is not so dramatic, but the benefits are no less valuable.

This scheme provides a subsidy on the interest of a home loan borrowed from an approved lender, in this case, the National Australia Bank. Single members have an entitlement to a subsidy up to a ceiling of $80,000. Married or de facto couples who each have an entitlement have a combined ceiling of $160,000 on one property. The Defence Housing Authority, the DHA, administers the scheme on behalf of the Department of Defence. The act was last amended in 1996 when the eligibility period was reduced from six years to five years of full-time service.

The amount of the limit of any one loan to be subsidised was then increased from $40,000 up to $80,000, with some retrospectivity. The benefit was also extended to active and emergency service personnel. Fringe benefits tax is payable, except where the entitlement was obtained due to reserve service only or as the result of warlike or operational non-warlike service. The subsidy is only payable where the beneficiary lives in the house mortgaged and where no other property is owned at the time of application. The subsidy is equal to 40 per cent of the average monthly interest of the loan. The DHA calculates that average over a 25-year period, divides that by 300—which is the number of monthly repayments—and then multiplies that result by 40 to reach the subsidy payable.

The only change to the subsidy is through changes to interest rates in the period of the loan. There are special arrangements for the establishment and benchmarking of that interest rate which form part of the agreement between DHA and the bank. The key point in 1996 and presumably today was to get the best deal for ADF members. That deal, it must be said, some 10 years on no longer stacks up and is no longer as worthwhile as it was in 1991 and 1996. The total amount borrowed is subject to normal bank rules, but the subsidy that is granted only applies to the first $80,000. The balance over that limit is treated as a normal top-up loan, which is negotiated at standard commercial home loan rates. The original loan amount is used for the calculation of the subsidy regardless of loan repayments.

As an example, a loan of $80,000 at, say, 7.07 per cent would normally require a repayment of $569 per month, but the subsidy on that would be $120.93, leaving a reduced payment of $448 a month. That is a significant saving. The drawback, though, is that if you are in advance of repayments—paying early—you cannot redraw. That is, you cannot re-borrow the amount you have paid in advance. However, you can transfer the loan to a new property once the existing property is sold. In essence, that is how the scheme works.

There are of course many shortcomings to this program which are now most noticeable as recruitment dries up and incentives to join the ADF are few and far between. In fact, this amendment bill misses the opportunity to do something about that. This bill does little more than extend the life of the current program for 12 months while the minister sorts something out. The bill does nothing more than extend the operation of the act until 31 December 2007, at which time—we are advised—a review will be conducted. Frankly, that review should have been conducted more than a year ago because the shortcomings of this scheme have been understood for a significant period of time. I will outline those shortcomings. The upper limit of the subsidy in no way recognises the
real cost of housing or the average size of mortgages these days. It pays no heed to the comparative advantage and cost of rental accommodation and the subsidy implicit in those rents. The scheme also restricts ADF personnel to the very limited range of home loan products negotiated by the government with the National Australia Bank. It fails to recognise the needs of ADF personnel who are shifted from pillar to post almost annually, with enormous disruption to their families. These are major drawbacks and have been known as weaknesses for many years. As usual, ADF personnel have been taken for granted and are expected to be grateful for what they have.

We are now losing personnel in droves and not attracting sufficient new men and women. This is a problem of the government’s own making. It is a problem caused by its own negligence and its repeated failure to act over the last 10 years but more particularly in the last five or six years. Recruitment is now a panic issue, and the publicity machine, making silk out of a sow’s ear as usual, is in overdrive. ADF personnel need to know that this is not a new phenomenon. It has been a problem of great concern for years. But, as is so often the case, they are ignored. This is not just about budget money. It is about caring for those people who are used as props for government publicity; it is about recruiting the people we need and, more importantly, once having introduced them into the service, keeping them and re-signing them for term after term.

It is little wonder that Defence cannot compete. In this case, there will be no action until 2008 at the earliest—after the review is concluded, we presume—which is when the new sunset clause in this bill comes into effect. We simply urge the government to get serious, do this review in a few months and get fresh legislation into the parliament to smarten up this antique scheme as a matter of urgency. This bill, then, simply extends the current scheme effectively until 2008. Entitlements will be preserved, as will the agreement with the National Australia Bank.

As I understand it, there are about 6,500 ADF personnel using this scheme. You can assume that that represents pretty much the total of ADF personnel who find homeownership attractive while in service. In comparison, almost 70 per cent of the general population are committed to homeownership—but that is getting much harder for the obvious reasons that have been in the press of late. Interest rates are going through the roof, and that is all due to key strategic decisions made by the government prior to and around the time of the last election. Those whose votes the Prime Minister tried to buy are now suffering dearly.

Fortunately, ADF personnel will not be represented in large numbers among them—simply because there are too many obstacles to homeownership in their way. To begin with, they cannot settle anywhere without being shifted with high frequency. We know of ADF families whose children may have attended as many as 20 different schools. These people are modern-day gypsies. For them, renting is the only option. Compounding that, we have military bases scattered everywhere, not often with any rationale except that of history. Noticeably they are often in conservative party electorates—pork-barrelling at the time was the key motive. Even new bases and transfers of units are from non-conservative electorates to marginal conservative electorates. There is not the slightest attempt to look at a real rationale which puts people and defence needs first.

Sadly, for ADF personnel it is unlikely that owning a home will become an option prior to discharge. Indeed, getting out simply to achieve that life goal is, for any family, a
huge incentive. It seems to be a strange circumstance that so many ADF personnel rent from DHA at an admittedly generous subsidy but fail to buy a house, even with this assistance, because the ceiling, with modern-day prices, is at too low a level. Why couldn’t DHA encourage ADF personnel to buy under the scheme and allow DHA to manage their leases when they are posted? One can only imagine innovative options going beyond the current limits which would give ADF people the same benefits of homeownership as the rest of us.

In conclusion, the review will be conducted in late 2007 into early 2008. We do hope this review produces some recommendations that provide a modern approach both to homeownership and to rental options within the ADF. We trust that the review will be actioned as a matter of urgency.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.30 pm)—I would like to take this opportunity to briefly sum up this Defence Force (Home Loans Assistance) Amendment Bill 2006. I note that Senator Mark Bishop, the shadow minister for industry, procurement and personnel, has provided general support for this legislation and that the opposition will support it. Much of what Senator Mark Bishop said in his shadow capacity lacks a little credibility and consistency because, whilst supporting the scheme, he attacked the government. The government is simply getting on with the job of looking after our very important Defence community.

This bill seeks to extend the operation of the Defence Home Owners Scheme, from 31 December 2006 until 31 December 2007. The extension will provide the Department of Defence with the opportunity to develop a scheme that will be more contemporary to meeting the needs of Defence and ADF members. A review is to be completed in time to allow the implementation of a new scheme by the end of next year, 31 December 2007. The objectives of the review will be to develop a homeowners assistance scheme that supports ADF recruitment, retention and resettlement of ADF members, that recognises the benefits that homeownership provides to Defence and ADF members and that is cost-effective to the Commonwealth.

The home loans market has changed significantly since the introduction of the DHOS. It is, therefore, appropriate that a scheme that is more reflective of the contemporary needs of Defence and ADF members in the community is in place. Four options are undergoing detailed development: firstly, subsidy assistance not tied to a home loan; secondly, subsidy assistance tied to a single or panel of home loan providers; thirdly, deposit assistance linked to either career retention or mobility points; and, fourthly, an allowance for owner-occupiers.

This review is to be completed by the end of next year. Extension of the finishing time prescribed in the act will ensure that the eligible ADF members continue to have access to homeownership assistance and will preserve the entitlement of those members who have not accessed the scheme pending the outcome of the review. I commend the legislation to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

NATIONAL CATTLE DISEASE ERADICATION ACCOUNT AMENDMENT BILL 2006

Second Reading

Debate resumed from 14 September, on motion by Senator Sandy Macdonald:
That this bill be now read a second time.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.35 pm)—in reply—I thank the opposition for supporting this legislation. The National Cattle Disease Eradication Account Amendment Bill 2006 has played an important role in the fight against brucellosis and tuberculosis. The funds held in the NCDEA have been derived solely from cattle and buffalo industry levies and charges and from the interest on these moneys. We are aware that, although the threats posed by brucellosis and TB have been reduced, other diseases could have a significant impact on Australian cattle herds. Transfer of the NCDEA funds to a trust fund, the Cattle Disease Contingency Fund, will ensure that these moneys can be used for a wider range of purposes related to cattle health and diseases while still retaining the ability to fund any future activities related to bovine tuberculosis and brucellosis.

The bill enables any funds in excess of what will be required in the future for brucellosis and TB programs to be used in the ongoing work of building a strong biosecurity framework for Australian buffalo and cattle industries. It has the full support of these industries. I am delighted that it has the support of the opposition as well and will foster the industry’s ability to play an active role in maintaining Australia’s animal health status. I commend the legislation to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT (ANTARCTIC SEALS AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 9 August, on motion by Senator Ellison:

That this bill be now read a second time.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.37 pm)—I am pleased that the opposition is supporting the Environment and Heritage Legislation Amendment (Antarctic Seals and Other Measures) Bill 2006. This legislation significantly strengthens the government’s protection of the Antarctic environment by incorporating the provisions of the seals regulations into the Antarctic Treaty (Environment Protection) Act by giving effect to an Antarctic Treaty measure prohibiting the collection of meteorites and rocks and revising penalties throughout the act to bring them into line with other similar environmental legislation. It is legislation that I understand entirely and I commend it to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Murray)—Wise words, Senator.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

EXPORT FINANCE AND INSURANCE CORPORATION AMENDMENT BILL 2006

Second Reading

Debate resumed from 16 August, on motion by Senator Ellison:

That this bill be now read a second time.

Senator CHAPMAN (South Australia) (1.38 pm)—The Export Finance and Insur-
The Export Finance and Insurance Corporation Amendment Bill 2006 is a welcome regulatory reform to the structure of an important statutory body, the Export Finance and Insurance Corporation. The bill will change the board management structure to reflect more closely the recommendations that were made by my fellow South Australian, Mr John Uhrig, in his important 2003 report entitled *Corporate governance of statutory bodies and statutory office holders.* The Export Finance and Insurance Corporation—or EFIC, as it is commonly known—has been in its current form since 1991 and, under the foreign affairs portfolio, it has been charged with four key functions: firstly, to facilitate and encourage Australian export trade by providing insurance and financial services and products to persons involved directly or indirectly in export trade; secondly, to encourage banks and other financial institutions in Australia to finance or assist in financing exports; thirdly, to manage the Australian government’s aid-supported mixed credit program—a facility which is now discontinued, although loans are still outstanding under it; and, fourthly, to provide information and advice regarding insurance and financial arrangements to support exports.

In these tasks, EFIC has been highly successful. EFIC has run consistent surpluses since 1991, except for the 1996-97 year during the East Asian financial crisis. EFIC has facilitated an increase in Australian exports from $99 billion in the 1995-96 financial year to $164 billion in 2004-05. A number of Howard government reforms to make our economy more internationally competitive have contributed to this export growth. However, it cannot be denied that the security provided to our exporters by EFIC is an important factor. According to EFIC’s annual report, tabled in the parliament several weeks ago, as at 30 June 2006, EFIC was managing exposures of some $3 billion across 32 countries. However, the Howard government recognises that there is no room for complacency.

The board management structure of EFIC currently is determined under the Export Finance and Insurance Corporation Act 1991. Following the implementation of the legislation that we are debating today, EFIC’s operation, consistent with the recommendations of the Uhrig report on corporate governance in the public sector, will fall under the Commonwealth Authorities and Companies Act 1997. We can expect that Australian exports will continue to rise sharply in the next few years with the continued emergence of China and India. It is, therefore, necessary that the management structures of EFIC be as effective as they can be to deal with large amounts of exports and future business opportunities arising from the increased interest in Australian goods and services.

It should be reinforced that this is a result of the economic stability which the Howard government has provided through innovative and effective policies. The restructuring of the EFIC board in line with the recommendations of the Uhrig report demonstrates the continuing good work of the Howard government. This involves: first, the removal of the Chief Executive Officer of the Australian Trade Commission from the EFIC board; second, the reduction in the number of other members—not including the chair, the deputy chair, the managing director and the government member—from not fewer than four nor more than six to not fewer than two nor more than five; third, after consulting the minister, the EFIC board, not the minister, as currently required, will have the power to appoint the managing director and deputy managing director; and, finally, appointments to the EFIC board, other than in respect of the government member, will be limited to three years with a limit of two...
terms—or three terms for EFIC board members who serve as chair.

This bill was considered by the Senate Foreign Affairs, Defence and Trade Legislation Committee during August 2006. Taking into account the submissions made by the Department of Foreign Affairs and Trade and EFIC itself, the committee recommended that the bill be passed. The Senate committee found that the proposed amendments are consistent with the Uhrig inquiry recommendations. It is important to remind ourselves when considering this bill that the bill does not alter the operations of the entire statutory body; it simply changes the management structure of the board. However, the Senate committee did express concern that the explanatory memorandum accompanying this bill failed to adequately explain the link between the particular changes it makes to EFIC and the Uhrig report.

The legislative handbook of 2000 highlights criticism of explanatory memoranda generally and in 1995 the House of Representatives Standing Committee on Procedure noted that, too often, there is potential for legislation to be misinterpreted due to the failings of explanatory memoranda. In reference to this bill, the committee said:

In the committee’s view, the explanatory memorandum accompanying the Export Finance and Insurance Corporation Amendment Bill falls short in providing the level of detail necessary to assist legislators in their understanding of the proposed amendments. It provides little insight into the operation of the provisions of the bill and how the proposed amendments are in keeping with Mr Uhrig’s recommendations. It did not follow the advice contained in the Legislation Handbook that the explanation ‘should focus on explaining the effect and intent of the Bill’.

The committee went on to say:

There is no attempt, other than general references, to tie the amendments directly to the findings and recommendation of the Uhrig Report ... nor any commentary on deficiencies ... in the current legislation that the bill is intended to address.

That is why the committee recommended:

... that the government take steps to ensure that explanatory memoranda provide members of parliament with the information necessary to be able to make informed decisions about the legislation before them. For instance, it suggests that the Legislation Handbook be worded more forcefully to alert those preparing the documentation to the importance and function of an explanatory memorandum. It also suggests that the Department of Prime Minister and Cabinet monitor and report on the standard of memoranda.

The importance of explanatory memoranda in explaining legislation cannot be overstated. However, the concerns raised by the Senate committee are not necessarily as valid regarding this legislation as they may be in the case of other legislation, because a statutory body is likely to develop its own culture, following the restructuring of its management. The committee accepted evidence that the amendments do satisfy the intention of the Uhrig report. As was argued by Stephen Bartos in the Canberra Times, in his article ‘All quiet on the review front in the long wait to be Uhriged’, of 5 September 2006, it is not necessarily the content of the restructuring across government statutory bodies that is the most important result of the Uhrig report but rather that it ensures that statutory bodies are reassessed intermittently to ensure that their operations are as effective as they can be.

In a globalised economy, where dynamism means not only expansion but also contraction, Australia must remain an attractive destination for investment. To avoid the financial crises that have befallen other nations in recent times, we must have a vigorous culture of corporate governance. That will stabilise both foreign and domestic investment. Indeed, this point was articulated by the OECD, which said:

CHAMBER
If countries are to reap the full benefits of the global capital market, and if they are to attract long-term ... capital, corporate governance arrangements must be credible, well understood across borders ... Even if corporations do not rely primarily on foreign sources of capital, adherence to good corporate governance practices will help improve the confidence of domestic investors, reduce the cost of capital ... and ultimately induce more stable sources of financing.

The concept of corporate governance sets out to achieve the best results by ensuring decisions are made effectively through implementing, monitoring and control mechanisms. The Howard government is providing leadership on this important issue by implementing the recommendations of the Uhrig report across our statutory bodies. The Labor Party has stood still on this matter, in the policy vacuum it adopts towards business.

The rollout of the recommendations contained within the Uhrig report is an important step forward towards better corporate governance, but still more can be done. Effective corporate governance will be able to anticipate a wider range of risks and opportunities in the marketplace. Through this practical mechanism, companies are able to reassess and manage, in different ways, their non-financial risks and maximise their long-term financial value. That is something which is set markedly to drive financial markets in the future.

It is important that we remember that effective reform on corporate governance must include corporate responsibility. The best results for the market can only be achieved when we encourage business to take into account their internal governance, in hand with external responsibility, to ensure a healthy economy. The recent report and recommendations on corporate responsibility by the parliamentary Joint Committee on Corporations and Financial Services, which I chair, are, I believe, quite pertinent here. They are consistent with the implementation of the Uhrig report.

There is no room for complacency. Issues of corporate governance and responsibility are important in securing Australia as a valuable site for investment throughout the 21st century. Therefore, I encourage the government to further publicise the benefits of effective corporate governance, following the full implementation of the Uhrig recommendations. On that basis, I commend the bill to the Senate.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (1.49 pm)—I thank the opposition for their support of the Export Finance and Insurance Corporation Amendment Bill 2006. I also thank Senator Chapman for his comments. I think he summed up the legislation beautifully. I have very little to add. I take on his comments about the role of explanatory memoranda. I acknowledge that. I have certain sympathy for what he had to say in that regard.

The intention of this legislation is to implement changes to the board management structure of EFIC. The bill forms part of the implementation of the government’s response to, as Senator Chapman said, the review of Mr John Uhrig. At this stage, it is expected that the changes to the EFIC board’s management structure will take place some time in the autumn of 2007. The bill is noncontroversial. The bill will have no financial impact. EFIC’s very important mandate and function will not be affected. I 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.
Sitting suspended from 1.51 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

Interest Rates

Senator SHERRY (2.00 pm)—My question is to Senator Minchin, the Minister representing the Prime Minister. Does the minister recall asking the then Labor Leader of the Government in the Senate on 23 June 1994: ‘Australia’s real interest rates are already amongst the highest in the world; is this not a reflection of this government’s mismanagement of the economy?’ Is the minister aware that at the time he asked that question Australia’s interest rates were 64 per cent of the OECD average? Isn’t it the case now that interest rates in Australia are 40 per cent above the OECD average? Aren’t our interest rates also the second highest among the 19 most developed countries in the world? Isn’t that, according to the minister’s own logic, a reflection of this government’s mismanagement of the economy?

Senator MINCHIN—I do not particularly recall that question, but I take Senator Sherry’s word for it that I asked that brilliant question back in 1994. The thing I do remember from 1994 very clearly was what Mr Beazley, the then finance minister, said when interest rates went up by no less than three-quarters of a per cent in one hit, in September 1994, to 9.5 per cent. Mr Beazley said:

... I point out that this is still a very low interest rate regime in Australian historical standards.

According to Mr Beazley in 1994, 9.5 per cent was a very low interest rate. I wonder what Mr Beazley thinks of an interest rate of 8.05 per cent. Of course, when he was in government, under Mr Keating and Mr Hawke, he never saw an interest rate as low as 8.05 per cent because interest rates never got that low under Labor, so Mr Beazley thought 9.5 per cent was a low interest rate. We are very proud of our record on managing fiscal policy in this country in order to endeavour to ensure that interest rates and therefore inflation remain low in this country.

In relation to Senator Sherry’s question on comparisons with the OECD, I take his word for it. I am prepared to accept his evidence without having checked it myself. On the face of it I will accept his evidence. What I would point out is that this country, almost uniquely, has had now some 15 years of continuous economic growth. The most remarkable thing is that in any other period in the history of this country, if we had had 15 years of continuous economic growth, we would now be at the point that we reached in 1989 when the Labor Party clearly said: ‘We’ve got to have a recession because the economy is growing too strongly. We’re going to have a recession and we’re going to have 17 per cent interest rates to crush the economy.’ That is what Labor did in government. They engineered a recession because they had lost control of the economy after that period of growth.

What is remarkable is that after 15 years of economic growth we still only have inflation at three per cent; we still only have a cash rate of 6.25 per cent. When you compare us to other OECD countries, you must always bear in mind that our economic growth rates have been much better than theirs over the last 10 years. We have grown much faster than the OECD countries. The OECD countries, by and large, have had to use low interest rate policies to stimulate their dying economies. The economies of Europe need massive stimulation because of their sclerotic approach to things like industrial relations. The countries of the OECD have industrial relations policies like the Labor Party’s, and that is why they have growth rates so low that they have to reduce interest rates to give the economy some stimulus. We are in a position where, after 15 years of
growth, the cash rate is still only 6.25 per cent. In any other period in the history of this country, the Reserve Bank would have had to move to the sorts of rates we saw under the Labor Party which engineered a recession.

Senator SHERRY—Mr President, I ask a supplementary question. Won’t the new housing rate that the Prime Minister is so pleased about put us more than three percentage points above the average five per cent interest rate that applies in western Europe, Japan and North America—hardly all dying economies, Minister? Doesn’t that mean the Prime Minister’s claim that he has delivered record low interest rates is again totally false? And why are interest rates in Australia so much higher than the rest of the developed world, including economies doing well?

Senator MINCHIN—Firstly, it is a complete verbal blunder of the Prime Minister, which should be retracted, to say that the Prime Minister said he was pleased about the interest rate rise. That is a ridiculous assertion to make. The Prime Minister made it clear in his press conference yesterday that he did not like seeing an interest rate rise. Of course we understand the position of Australian families who have to pay a higher mortgage interest rate. So that is a complete misrepresentation of the Prime Minister’s position. Secondly, on the question of the extent to which our cash rate is higher than those of western Europe or Japan, I have explained that those economies have had zero or very low growth rates for considerable periods of time and much higher unemployment than our country. They have had to use their monetary policies to try to stimulate their sclerotic economies. That is why, to the extent that there is any, the difference exists.

Employment

Senator TROETH (2.06 pm)—My question is addressed to Senator Abetz, the Minister representing the Minister for Workforce Participation. Will the minister update the Senate on the latest employment figures released today? And is the minister aware of any threats to continued low unemployment in this country?

Senator ABETZ—I thank Senator Troeth for her question and the very keen and close interest that she continues to take in employment, especially in her role as the chair of the Senate committee on employment. I am pleased to advise Senator Troeth that, in trend terms, today’s official employment figures from the Australian Bureau of Statistics show that more Australians than ever before have a job—10,287,400 of our fellow Australians are in employment today. This means that the unemployment rate is now just 4.6 per cent—a new record 30-year low.

The last time unemployment was at this level was May 1976. It is a pity that Senator Conroy is not here because he and I remember that at that time ABBA’s *Fernando* was the No. 1 single in Australia, Gerald Ford was the President of the United States and, as Senator Kemp has reminded me, it was before the likes of Ian Thorpe and Lleyton Hewitt were even born—although I think Senator Kemp may have been born before then! A whole generation of Australians have never experienced such a low unemployment rate.

It took Work Choices to crack the five per cent barrier and put unemployment in a further downward spiral. Just imagine how low the unemployment rate would be if the unemployment queues were not being bolstered by all those sacked state Labor ministers! But I remind the Senate and the Australian people what those opposite falsely predicted about Work Choices. On 26 May last year, Labor wannabe Mr Shorten made his now infamous statement:
Make no mistake: today’s green light for mass sackings ...

The facts show that Work Choices has been the green light for mass employment. A few months later, Mr Beazley, taking his cue from the trade union movement as he always does, said, ‘Work Choices will not employ more Australians.’ A bit of gratuitous advice to Mr Beazley: do not slavishly follow that which the trade union movement tells you—because once again Mr Beazley was wrong. Then on 27 March this year, on the John Laws show, when asked, ‘You don’t agree that these changes would provide any sort of job growth?’ Greg Combet said:

Oh I can’t see it.

Maybe Mr Combet needs stronger glasses, although I do admit that the unemployment figure is getting harder to see. But I would say this: we as a government are still very focused on ensuring that it is driven down even further. Those on the other side have preached doom and gloom about every single one of this government’s initiatives and they have been wrong each time, especially about Work Choices. At the next election the people of Australia are going to have to make a choice between the leader of a party, Mr Beazley, who when he was employment minister—or should that be unemployment minister—presided over one million of our fellow Australians on the unemployment scrap heap, and Mr Howard, who has driven down unemployment to a generational low. Mr Beazley has told the Australian people that the reform lemon has been squeezed dry. Those opposite lack the vitality and energy that this country needs; we still have it and we will continue to have it. (Time expired)

Distinguished Visitors

The President—Order! I draw the attention of honourable senators to the presence in the President’s gallery of former distinguished senator, member of the House of Representatives and Premier of South Australia Steele Hall and his wife, Joan, who was also a member of the state parliament. Welcome to Parliament House.

Honourable senators—Hear, hear!

Questions Without Notice

Interest Rates

Senator Sterle (2.10 pm)—My question is addressed to Senator Minchin, the Minister representing the Prime Minister. I refer the minister to the Prime Minister’s 2004 promise that he would keep interest rates at record lows. Is the minister aware of comments by truckie Wayne Phillips from Penrith in Western Sydney in the Australian newspaper today? He said:

“This is not the first hike in interest rates, it’s the fourth since the election—so much for the Howard Government’s promises.”

Aren’t battlers from Penrith, like Mr Phillips, in the seat of Lindsay, right to blame the Prime Minister for the fact that they are now paying an extra $260 a month on their mortgages, since they were told that interest rates would stay at record lows? Minister, what do you have to say to battlers who borrowed on the basis of your promise?

Senator Minchin—I did notice the article in the Australian with that particular family. As I said before and as the Prime Minister has said before, we do understand that for a number of families in Australia an interest rate rise means that they could well be paying more on their mortgage. We would encourage all such households or families, where paying more on their mortgage is an issue for them, to talk to their financial advisers and their lending institutions to endeavour to ensure that they can renegotiate their loan in such a fashion that their household finances are not unduly affected.

As to the question of the Prime Minister’s statements at the last election, I can only re-
peat that again the Labor Party is verballying the Prime Minister. What the Prime Minister said to the people of Australia at the last federal election—which I know irks the Labor Party; we know that they cannot get over losing their fourth election in a row; they know they made a huge mistake going to the last election with Mr Mark Latham as their leader; they know that and they cannot get over that—was, ‘Who do you trust to produce lower interest rates: the Labor Party or the Liberal Party?’

Our assertion to the Australian people was that interest rates would always be lower under a coalition government than under a Labor government. We adduced as evidence for that assertion the record of the Labor Party in government with respect to interest rates. Again we would assert that that record underpins the assertion we made in 2004—that under our government interest rates have averaged, I think, 7.18 per cent and under the Labor government they averaged 12.75 per cent. There is about a five-percentage-point difference between the average under the Labor government and the average under our government.

We also asserted at that time that the policies of the federal Labor Party would put upward pressure on inflation and therefore on interest rates. We drew attention to the fact that the Labor Party had some $40 billion of additional spending promises at the last election which would have put pressure on interest rates by threatening to take the federal budget from surplus into deficit; and that they wanted to reregulate the industrial relations arrangements of this country, which would again go back to the bad old days where a wage rise in one sector would flow right through the economy and therefore affect wage inflation, general inflation and interest rates. We stand by the assertions that we made in 2004. We will endeavour to ensure that, from our point of view, we do our utmost to keep pressure off inflation and off interest rates.

Senator STERLE—Mr President, I ask a supplementary question. Why does the Prime Minister continue to mislead Australians by saying that interest rates are still low, when debt and borrowing levels are three times higher today than they were 10 years ago? How is the Prime Minister’s false claim any help to battlers like Mr Phillips, who borrowed $50,000 to help his daughter buy a house and who may now have to cancel her wedding?

Senator MINCHIN—With great respect to Senator Sterle, as I said Mr Beazley thinks that an interest rate of 9.5 per cent is low. Therefore, an interest rate of 8.05 per cent is particularly low by Australian standards and by the standards set by the Labor Party. While we do not like interest rates going up, 8.05 per cent is relatively low compared to the standard that the Labor Party set.

The PRESIDENT—Order! Before I call Senator Payne, I remind senators asking questions and ministers replying to questions that their remarks should be addressed through the chair.

Climate Change

Senator PAYNE (2.15 pm)—My question is to the Minister for the Environment and Heritage, Senator Ian Campbell. Will the minister inform the Senate of the role that Australia will play at the 12th conference of the parties to the UN Framework Convention on Climate Change in Nairobi next week? Further, can the minister outline to the Senate how the government will play a leading role in building a new Kyoto protocol to effectively tackle climate change?

Senator IAN CAMPBELL—It is an incredibly important question from Senator Payne. What has become quite clear from the Stern review; from the World Energy Outlook, published by the International Energy
Agency earlier this week; and, really, from any informed commentary on climate change and energy issues is that the world does need an agreement that involves all of the world’s major emitters that replaces the failed Kyoto protocol. The International Energy Agency this week showed us that China will in fact be the world’s biggest energy user and biggest emitter within just a few years—by about 2010—yet the Kyoto protocol, which is the plan that Labor would sign up to, entirely ignores all of the emissions from China and India. So Australia’s position will be to drive for a new Kyoto protocol—a comprehensive agreement that recognises the different national aspirations and pathways to growth and ensures that we create an international plan that delivers that.

The Australian government recognised this some time ago when we established the Asia-Pacific partnership in cooperation with China, India, the United States, Japan and Korea. We recognised, as the International Energy Agency has done, that you will not solve this problem if you ignore coal, fossil fuels and nuclear power. For years now, Mr Beazley and the Labor Party have been saying that you can solve this problem by signing the Kyoto protocol. Mr Beazley had the audacity, or paucity of thought, to say just at the doors last week that he will fix it when he becomes Prime Minister. He will fix it by signing the Kyoto protocol. There will be no cost to the taxpayer and no cost to his failed trading scheme. He is just going to fix it. He has been whistling, dog whistling style, to the Australian community and the Australian Labor Party, pretending that you can solve this problem by signing the old Kyoto protocol that ignores China and India, when we know China is expanding at the rate of one new power station every 10 days and one city the size of Brisbane every month. He is pretending that you can sign up to an agreement that entirely ignores that. It is absolute rubbish.

The trouble is that the Labor Party is now absolutely and clearly anti fossil fuels. If you do not address fossil fuels, if you do not address cleaning up coal and if you do not address capturing carbon from coal, then of course—and Mr Beazley has been saying this for years—you will do as the Labor Party’s Newcastle City Council did last night and move a motion that caps coal exports from Newcastle, initiates a moratorium on new coalmines and establishes a levy on the coal industry. This is Labor’s plan—close down the coal industry. Of course, Mr Beazley’s own member for Charlton, Kelly Hoare, said in a letter to me this year:

The Hunter is one of the world’s carbon capitals and home to a rapacious mining industry.

She went on to say:

Anvil Hill—a new coalmine—is a key part of the Hunter Valley coal export expansion, which needs to be stopped if the world is to avoid climate change.

That was a Labor Party member of parliament. This leads other members of the Left, the Greens and the Labor Party to now say up in Queensland, with the Queensland Conservation Council and with the encouragement of Mr Beazley: ‘This Christmas turn off your lights. Have a Christmas without electricity.’ That means no cold beer but, more importantly, no Christmas lights. Australia needs a positive policy that addresses the real issues and ensures that Australians can maintain their employment and not have the dog whistling of Kim Beazley, saying, ‘We should close down the coal industry and not address the real issues.’

Interest Rates

Senator O’BRIEN (2.20 pm)—My question is to Senator Minchin, the Minister for
Finance and Administration. Given the minister’s recent enthusiasm for quoting Labor ministers from the mid-1990s, does he recall saying on 29 August 1995, when foreign debt was $167 billion, that it was:

... just mind-boggling and beyond the comprehension ... of most Australians.

Didn’t the minister also say:

... foreign debt does increase interest rates. That is without question the case.

Can the minister now confirm that Australia’s foreign debt is $500 billion? Didn’t foreign debt grow by 14 per cent last year and 10 per cent the year before? Given the minister’s view that it is without question that foreign debt increases interest rates, can he confirm that the $500 billion of foreign debt under the Howard government has been a direct contributor to the eight—yes, eight—successive interest rate hikes experienced by Australian families?

Senator MINCHIN—I can confirm what the Reserve Bank said about the causes of the latest rise in interest rates. The Reserve Bank said:

The world economy has grown strongly in 2006 and is generally expected to grow at an above-average pace ... The global expansion has contributed to high levels of commodity prices ... Domestic demand has been expanding at a relatively strong pace …

I look through all this and I cannot find any reference to the size of Australia’s foreign debt. There is absolutely no statement with a reference to the foreign debt of Australia having had any impact on the rise in interest rates yesterday. So I dismiss that assertion.

I am interested that the Labor Party wants to spend its time researching what I said when we were in opposition from 1993 to 1996, when I regrettably had to sit on that side of the chamber and ask questions of government ministers, who could not answer them at that stage, of course. The great difference between this government and your government is that your government, the Labor government, ran massive budget deficits at the same time as this country was running a foreign debt. The problem for the United States, which we have been honest enough to point out, is the combination of significant current account deficits and significant budget deficits. It is that combination which threatens an economy and threatens to put pressure on interest rates—

Senator Sherry interjecting—

The PRESIDENT—Senator Sherry, shouting across the chamber is disorderly.

Senator MINCHIN—because, to the extent that the government, by borrowing, is contributing to one’s foreign account debt, you do put pressure on domestic interest rates. The great difference between us and the Labor Party is that we have corrected the government’s position. We have paid off the $96 billion in debt. We have returned the budget to surplus from the $10 billion annual deficit that we inherited from the Labor Party. So, instead of paying $8 billion in interest every year as we did under the Labor government—

Senator Sherry interjecting—

The PRESIDENT—Senator Sherry, I have continually asked you to stop shouting across the chamber. I warn you.

Senator MINCHIN—our interest payments are effectively zero because there is no deficit. The great difference between the two periods that you referred to—then and now—is the complete eradication of government debt, the complete eradication of government deficits. So we have a situation where the current account deficit is a function of decisions made in the private sector entirely, and the size of the current account deficit and the interest payments we make are a function largely of (a) banks borrowing
to finance housing loans and (b) investment by the private sector.

To the extent that the borrowings are by the private sector for productive investment, that is good for the economy. The investment is what will produce future income. It is the investment that you see through the current account deficit that is enabling Australia to meet the inexorable resource demands of China in particular and India to a lesser extent that our great private sector mining industry is now meeting. That is why you have a current account deficit at the moment. So you have to look at the structural composition of the current account deficit, note that it is a function of the investment borrowing by the private sector that is contributing to the long-term strength of this economy and note the fact that we have completely eradicated government debt and deficits in this country.

Senator O'BRIEN—Mr President, I ask a supplementary question. Is the minister seriously saying, 11 years after his pronouncement that it was without question that foreign debt does increase interest rates, that now, when foreign debt is treble what it was in 1995, it has no impact on interest rates? Does the minister seriously believe the Australian people can now accept that, because a small part of the $500 million is not government debt, it has no impact on interest rates? Does he ask the Australian people to seriously believe that proposition?

Senator MINCHIN—If the honourable senator wants to mount that case, he should come in here with evidence from the Reserve Bank in which it formally attests to the size of the current account deficit being a reason it has increased interest rates. I defy him to do that. What I have reported is the statement by the Reserve Bank as to why it has increased interest rates by 0.25 per cent. It pointed to global demand, high commodity prices and the strength of the Australian economy. That is why, as I said yesterday and I will say again, it had to put a light touch on the brakes to ensure that we can sustain the prosperity that we have all enjoyed for the last 10 years under the Howard government.

Telstra

Senator EGGLESTON (2.26 pm)—My question is to the Minister for Finance and Administration, Senator Minchin. With the Telstra sale retail offer closing today, will the minister update the Senate on the progress of the sale?

Senator MINCHIN—I thank Senator Eggleston for his question. As Senator Eggleston said, the retail offer stage of the Telstra sale does close today, 9 November. This means that we are at the three-quarter mark of T3. I can report to the Senate that the sale is progressing very satisfactorily. Senators are aware that the government announced in August that we would sell around $8 billion of our shares and that we would place the rest of our shares in the Future Fund for the fund to sell down in an orderly fashion after a two-year escrow period. I point out to the Senate that this $8 billion offer is substantial. It is the biggest share offer in Australia since 1999 and the biggest telco offering in the world since 2004.

We are conducting this sale in four stages. The first stage involved stockbrokers and financial planners purchasing stock on behalf of their clients. That stage went extremely well, with more than half the shares on offer—over $4 billion of stock—being allocated. The second stage involved the sale of stock to Japanese retail investors, where the yield on T3 shares is particularly attractive. Over $400 million of shares were sold in Japan. The retail offer has been open for the past 2½ weeks and it is an opportunity for ordinary retail investors to apply for shares. It is obviously an opportunity for us to rec-
recognise existing Telstra shareholders by giving them a larger minimum entitlement to stock. Over the first two weeks we saw a steady flow of applications but in the last three days we have witnessed a surge of applications for shares from individual investors. With the offer closing today, we expect to receive a large number of applications. We expect that, by the end of today, we will have already exceeded our $8 billion target over the first three stages of the sale.

Next week we move into the fourth and final stage of the process, the institutional offer, where investment funds and superannuation funds bid for stock. This institutional offer will open next Wednesday and close next Friday. The government will increase the size of the T3 offer to meet the demand from institutional shareholders in Telstra who also want to buy their minimum guaranteed entitlement. This is subject, of course, to those investors offering to buy the shares at the price that is ultimately set by the government for the T3 share offer. We will not know exactly how many shares are being sought by institutional shareholders on this basis until the close of the institutional offer next week.

The government also has the right to make a limited number of shares available to other institutional investors at the final price. However, the government is not focused on maximising the size of the offer; in fact, there are good reasons to prefer that a number of those investors buy shares on the market rather than meeting their demand fully in T3. That is because we are quite explicitly focused on having an orderly aftermarket in Telstra stocks.

In closing, I take this opportunity to thank the Department of Finance and Administration, all of our sale advisers and particularly the Telstra team and their roadshow for their work to date in making this sale what to this stage has been a success. I do want to thank all those Australians who are participating in T3 and welcome their interest in being part of this great Australian company.

**Hazelwood Power Station**

Senator FIELDING (2.30 pm)—My question is to Senator Minchin, the Minister representing the Treasurer. Minister, last month the Treasurer announced federal funding for a $360 million project to reduce greenhouse gas emissions at Victoria’s Hazelwood power station, with construction to start next year. The Victorian government is also funding the project. Despite this, others are calling for Hazelwood, which supplies up to one quarter of Victoria’s power, to be shut down. Minister, what would be the effect of shutting down Hazelwood power station, in the Latrobe Valley, which employs more than 500 people?

Senator MINCHIN—I do welcome the question, genuinely without notice, from Senator Fielding and acknowledge his considerable concern for all Australians who work in the great Australian coal and energy producing industries. I respect his concern for their welfare and his acknowledgement that the coal industry in Victoria in particular is a very significant part of that economy. The capacity of Victoria with its coal reserves to produce world-competitive, low energy prices is a major reason why Victoria has attracted significant energy-intensive industries which ensure a high standard of living for Victorians and the surety of a reliable, safe power supply to that state. It is a vital part of that state economy. Wanton and irresponsible statements by anybody in the community—but particularly the left wing of the Labor Party, which seeks to assert that we can simply shut down the coal industry in this country—have no regard for the workers in those industries and for the households and families who rely on the relatively
cheap, reliable power which coal in this
country provides.

It is all very well for some in the commu-
nity and some in the Labor Party to go
around blindly asserting that you can replace
coal with wind and solar energy. Anyone
who has studied this issue knows that that is
simply and utterly impossible to do. Solar
and wind, while not directly competitive in
price, can only ever supply power at the
margin. Those on the other side who are se-
rious about eliminating greenhouse gases
from our community can only do so really by
embracing nuclear power—and, if that is
what they want, they had better get honest
about it. That is the trouble with the Labor
Party: they make bland, wild promises about
the elimination of greenhouse gases but at
the same time they say they will not have a
bar of nuclear power.

The coal industry in Victoria is very im-
portant. I cannot tell Senator Fielding spe-
cifically what direct impact shutting down
Hazelwood would have on the Victorian
economy and Victorian employment, but I
am very happy to get the precise figures.
There is no doubt it would have a very sig-
nificant and deleterious impact on the Victo-
rian economy. As we have said, we have to
recognise in this country that the use of fossil
fuels will continue to be a major part of the
energy supply for a long time to come. What
we have to concentrate on, if one is serious
about reducing greenhouse gas emissions
responsibly and sensibly and in the national
interest, are the opportunities for reducing
the carbon emissions from using coal as a
power source. But we need to do that in a
way that is in consort with our international
peers, not in a way that is simply counter-
productive to Australia’s national interest and
does nothing but effectively result in disin-
vestment in this country—putting jobs and
investment offshore by making it uncompeti-
tive to sustain those industries in Australia.

Senator FIELDING—I ask a supplemen-
tary question, Mr President. Minister, is the
government concerned that some environ-
mental policies, such as closing Hazelwood
power station, if adopted, would jeopardise
economic growth and responsible economic
management?

Senator MINCHIN—Senator Fielding is
quite right. I note, for example, that the
Hazelwood power plant on its own generates
one-quarter of Victorian electricity. So it is
utterly irresponsible to be contemplating
anything that would result in the closure of
that power plant. I point to Mr Beazley’s
policy, which is apparently to cut greenhouse
gas emissions by 60 per cent in this country.
That is what Mr Beazley has said. ABARE
modelling suggests that, if you were to at-
tempt to do that in this country, petrol prices
would double, GDP growth would be 11 per
cent lower, real wages would be 21 per cent
lower, oil and gas production would fall by
60 per cent, coal production would be down
32 per cent and electricity output would be
down 23 per cent. It would be just an outra-
geous policy of the Labor Party. I am not
surprised that some in the Labor Party are
distressed and upset by what Mr Beazley is
irresponsibly proposing to do with respect to
the energy industries of this country. (Time
expired)

Immigration

Senator BERNARDI (2.35 pm)—My
question is to the Minister for Immigration
and Multicultural Affairs, Senator Vanstone.
Will the minister advise the Senate of the
contribution of the migration program to the
strong economic growth and prosperity en-
joyed by Australia over the past decade? Fur-
ther, is the minister aware of any policy al-
ternatives?

Senator VANSTONE—I thank Senator
Bernardi, a new senator from my state, for
this question. It is very clear that an immi-
migration program managed properly can bring
great benefits to the economy and great
benefits to other Australians. I say ‘managed
properly’ because I took the opportunity yes-
terday to remind the Senate of the disastrous
management of the immigration program
under the Labor Party. I reminded senators of
the case of Mr Hong Lim, the Victorian
member of parliament, who, when vulner-
able migrants would say, ‘I want to bring my
family out,’ would hand them a Labor Party
form and say, ‘Here, join the fight.’ I re-
minded them of their own Barry Jones, who
said that their management of immigration
was ‘less than distinguished’ and who went on
to point out that family reunion was seen as
a long-term interest of the Labor Party. I
also quoted Mr Herford, a former minister,
and his comments on Sheikh al-Hilali being
given residence because it was seen as politi-
cally advantageous. I mentioned Alan Wood
from the Australian and the comments he
made about Labor’s mismanagement of the
migration program.

On my way back to the office I thought, ‘I
was right to say that the best thing we’ve
done about managing the migration program
was getting rid of the other side,’ because we
have managed it much better. And I thought,
‘Yes, that’s right: we won in 1996 when Ce-
line Dion was singing It’s All Coming Back
to Me Now.’ And guess what? On the way
back to the office it did all come back to me:
the Theophanous case. It just came out of the
clear blue sky. I thought: ‘Theophanous—
now what did he go to jail for? Heavens
above, I’d better refresh my memory!’ I had
a quick look, and I think a jury found him
guilty of four of six charges over his dealings
with Chinese nationals seeking visa and im-
migration help. I thought: ‘Oh dear! What a
shame it is when you don’t manage the pro-
gram properly; it goes badly.’

We on the other hand have managed the
program extremely well. I remind senators
that Mr Beazley, the guy who wants to be
Prime Minister, said that we are ‘driving a
wages and conditions race to the bottom’.
So, I thought, we will have to have another
look at that. I like to be fair, so I thought I
would look at real wages growth. I saw that
it was 0.2 per cent under Labor. Under us,
real wages growth has gone up to 16.8 per
cent. I looked at real, net household wealth
and I saw that it has more than doubled. I
looked at unemployment and I saw that there
was a peak of 10.9 per cent under Labor.
Now, at 4.6 per cent, it is at its lowest since
October 1976. Some people might like
ABBA, but I prefer Paul Simon’s 50 Ways to
Leave Your Lover. But who cares: that is
what was happening when unemployment
was last at 4.6 per cent.

Average inflation now is half what it was
under the Labor Party. When you manage the
program well you do not have a wages and
conditions drive to the bottom; you build the
Australian economy, you build jobs and you
build security for Australians and for their
children. You put more Australians into
work. There has been a 20 per cent increase
in Australians in work in the time that we
have been managing the migration program.
Does that look like we are bringing in people
to take Australian jobs? No. It looks like we
are bringing in people to build the Australian
economy.

Let me see what else there is: there has
been a 50 per cent reduction in the long-term
unemployed. Does that look like we are be-
ing difficult for the disadvantaged? No. It
looks like we are building the economy. Aus-
tralians understand and support our man-
agement of the migration program. They
know that, if you want to talk about migra-
tion rorts, there is no better place to look
than over there.

Honourable senators interjecting—

The PRESIDENT—Order!
Senator BERNARDI—Mr President, I ask a supplementary question. Given the government’s management of the migration program, would the minister please detail what changes there have been to the attitude of Australians towards migration?

Senator VANSTONE—That is a very astute supplementary question from Senator Bernardi. While we have been in government the Australian community has changed its attitude to migration. I note that, when Labor was in government around 1992, the proportion of people who said that immigration had gone too far or much too far was up at the 60 per cent level—60 per cent of people thought you had it wrong. That has come down now to under 30 per cent. So we have halved the dissatisfaction level on migration. The dissatisfaction level with the management of the migration program was double under you lot.

But there is more; oh, yes, there is more. If we look at who said immigration had not gone far enough and who had confidence in migration, what proportion was that? Only five per cent thought that under Labor. Something like 20 per cent think that under our government—four times as many people—(Time expired)

Cervical Cancer Vaccine

Senator WEBBER (2.41 pm)—My question is to Senator Santoro, the Minister representing the Minister for Health and Ageing. Is the minister aware that 740 Australian women are diagnosed with cervical cancer each year and that 270 women die each year from this devastating cancer? Is the minister also aware that Professor Ian Frazer was made Australian of the Year for developing the vaccine? Can the minister confirm that the Pharmaceutical Benefits Advisory Committee has rejected an application to fund the vaccination of all 12-year-old Australian girls against cervical cancer? Why has the government refused to help fund the availability of this vaccine immediately? What does the minister have to say to parents who will now be forced to try and find the $460 they will need to spend on the health of their daughters until the government acts?

Senator SANTORO—Honourable senators would appreciate that I was expecting a question like this and that I have prepared myself to answer the question as informatively as I can. I thank Senator Webber for her question, and I immediately correct her and state very clearly that it is not the government that has made the decision. In fact it is the relevant government instrumentality.

I would like to commence my answer by reminding opposition senators of what Julia Gillard had to say on this topic only very recently. I want to go on the record as saying that Julia Gillard in fact made a very sensible contribution in advance of this debate. She had some very sensible things to say in February this year in relation to the PBS. I urge senators opposite to listen to what the opposition’s shadow health minister said about the body that made the decision, not the government. She said: ‘The way the PBS works is that there is an expert committee that assesses what drugs should go on the PBS. You don’t want politicians going, “I’ll pick that one and not that one.”’ That is what Julia Gillard said on 9 AM with David and Kim on 2 February 2006. I commend that view to all senators in this place, particularly senators opposite. It is a sensible attitude.

However, when I awoke this morning—and I understand that is not a very attractive notion to members opposite—

Opposition senators interjecting—

Senator SANTORO—I awoke to Tony Abbott on radio—

Opposition senators interjecting—
The PRESIDENT—Order! There is too much noise in the chamber, and I would ask you all to come to order.

Senator SANTORO—Mr President, I awoke to the sound of Tony Abbott’s voice on radio saying that, if the interested parties were willing to resubmit their application, it would again be considered and that there was plenty of opportunity and there were plenty of options contained within the administrative and legislative framework for that application to be reconsidered. If Senator Webber had in fact been following the advancement of this debate earlier today, she would have heard that the Prime Minister again followed up the very sensible contribution to the debate this morning by Minister Abbott. The Prime Minister said:

Well my view is that it will be subsidised, I am sure of that. The debate at the moment is about the terms and conditions and you’ve got to remember that these companies do try and drive a very hard bargain, and it’s our responsibility to have this vaccine available for the mass immunisation campaign. And if agreement can be reached fairly soon, that mass campaign can still start on the 1st of January 2008. But you can’t have a situation where you just accept the first request that’s made by a company. I mean companies know that they have a very strong position in relation to these drugs where there’s a lot of support. But let me make it clear that this drug will end up being on the PBS list. It’s a question of precisely when and it’s a question of the price and the terms and conditions, and I think we have every reason to make sure that we get good value for the Australian taxpayer.

This is a very sensible attitude expressed first of all by Julia Gillard, amplified very well by Minister Abbott this morning and then subsequently by the Prime Minister. (Time expired)

Senator WEBBER—Mr President, I ask a supplementary question. I remind the minister that the PBAC recommends to the minister; it is cabinet that makes the decision. I also remind the minister that the company offered the government a 30 per cent discount on the cost of the vaccine. Is the minister aware of comments this morning by his colleague Senator Ferris that the decision not to fund the cervical cancer vaccine was ‘embarrassing’? Isn’t it also embarrassing that at the same time as the government will not fund the Gardasil vaccine the industry minister, Mr Macfarlane, is promoting it through Invest Australia as an ‘investment in scientific excellence’? Why won’t the government take the opportunity to help prevent the spread of cervical cancer among Australian women in the future by funding the Gardasil vaccine immediately?

Senator SANTORO—Mr President, I have just outlined, in response to Senator Webber’s first question, a very proper process. I outlined a process that in fact has been endorsed by the Labor Party shadow minister, a process which is being applied very sensitively by the government, first by the minister and then by the Prime Minister. You just cannot, as the Prime Minister outlined, accept the very first offer irrespective of how generous it looks first up, as outlined by Senator Webber. There is a proper process. That process has been undertaken, and the government will follow through with that process.

United States of America Mid-Term Elections

Senator NETTLE (2.48 pm)—My question is to Senator Minchin, the Minister representing the Prime Minister. What implications do George Bush’s defeat in the US midterm elections and Donald Rumsfeld’s sacking have for Australian troops in Iraq? For
example, will Australian troops stay in Iraq if American troops leave?

Senator MINCHIN—I thank Senator Nettle for her question. For the sake of accuracy, I do point out that Mr Bush was not a candidate at the election; Mr Bush remains the President of the United States. There were mid-term congressional elections and it is a fact, as we have all seen, that the Democrats have won majorities in the House of Representatives and—almost certainly—in the Senate. On behalf of the government, I congratulate the United States Democrats on their victories in the House of Representatives and the Senate, and members of our government look forward to working with the leadership of the Democrats in the new congress.

Can I also confirm, as Senator Nettle has pointed out, that Defense Secretary Donald Rumsfeld has resigned following the mid-term elections and been replaced by Mr Bob Gates. On behalf of the government, we pay tribute to Mr Rumsfeld’s service as the United States Defense Secretary. He has been an enormous friend to Australia over many decades, over many years of service at the highest levels in the US administration. We welcome Mr Gates’s appointment—Mr Bob Gates; no relation I understand—and look forward to working with him.

I should make it clear to the Senate and to Senator Nettle that, on the basis of statements made by the President overnight, there is no change in the United States policy with regard to Iraq. Mr Bush said that his strategy for Iraq remains to win. He said:

I’m committed to victory. I’m committed to helping this country so that we can come home.

As I understand it, while there is quite a wide-ranging view within the United States Democrats, there is no sense within the Democrats of adopting the Australian Labor Party’s policy of cutting and running. There is no serious Democrat in the United States who suggests that the United States should simply walk away from Iraq. They certainly, through the congress, will be wanting to discuss with the administration the tactics in Iraq and how to achieve the objectives which the United States has for Iraq in the most effective manner and to ensure, as we want to ensure, that the troops can come home.

It remains our objective to ensure that our troops can ultimately come home. But we share with the United States a commitment to ensuring that the people of Iraq can live in a peaceful, ordered and secure environment, that they can establish their democracy, that they can establish a government which can produce peace and order and strong livelihoods for the people of that country. It would be absolutely and utterly absurd for the coalition of America—the United States—Australia and other countries simply to wave the white flag and walk away. We do want to ensure that Iraq can have a self-sustaining democracy and that it can provide peace and security to its people. There would be nothing worse at the moment—and the US Democrats recognise this—than to simply walk away and hand the terrorists the greatest victory they could possibly have.

Senator NETTLE—Mr President, I ask a supplementary question. Is the presence of Australian troops in Iraq contingent on George Bush all the way till the end? Given that American voters have made it quite clear that they recognise the disaster Iraq has become and that Australian voters have indicated similarly, is this government prepared to suffer the same electoral losses as the Bush administration at the upcoming federal election for the sake of a long, bloody and immoral war in Iraq?

Senator MINCHIN—We do not think there is anything immoral about removing one of the most appalling mass murderers
this world has ever seen. We do not think there is anything immoral about seeing the end of the Saddam Hussein regime. We do not think there is anything immoral about the fact that the democratically elected government of Iraq has, through a fair, transparent and open trial, convicted Saddam Hussein of mass murder and committed him to be hanged. We do not think there is anything immoral about that whatsoever. We have our troops in Iraq because it is the right thing to do. It is the right thing for us to be in Iraq. It is in Australia’s national interest that we be in Iraq to ensure that that country, having removed that mass murderer, has the best possible opportunity to establish a self-sustaining democracy and provide peace and good government to its people.

Customs

Senator LUDWIG (2.53 pm)—My question is to the Minister for Justice and Customs. Can the minister confirm the accuracy of the New South Wales Liberal Party leader’s claim that up to 20 Russian-made rocket propelled grenade launchers have entered the country and have been offered for sale on the black market? Is the minister concerned that border protection is so weak that a truckload of grenade launchers can get through? Are these the very same weapons that insurgents are using against allied troops in the war in Iraq? When did the minister first become aware of his failure to protect our borders from a truckload of missiles that are now in the hands of criminals and possibly terrorists, and what has he done to ensure that action is taken against the importers?

Senator ELLISON—The Premier of New South Wales needs to exercise some caution in what he says in relation to this very important investigation. I refer him to comments made by the Assistant Police Commissioner of New South Wales, Nick Kaldas, who is reported as having said:

We need to go through the investigation before we can actually say definitively whether the stuff is here or not.

What the Assistant Commissioner was saying—

   Senator Chris Evans—This is Debnam.

   Senator ELLISON—I am referring to the remarks made by Premier Iemma, who said that this involved a breach of the borders of Australia, as did the state police minister, John Watkins. Any reference to this investigation at all, no matter who says it, is premature. I refer everybody to the comments made by the Assistant Police Commissioner of New South Wales, Nick Kaldas, who said:

   We need to go through the investigation before we can actually say definitively whether the stuff is here or not.

He went on to say that no effort was being spared in the investigation of this. The Australian Federal Police are investigating this matter with the New South Wales Police. I think it is very premature to comment on the origin of any of these articles and their location. It is a serious investigation. I am not going to comment on it any further. The New South Wales Police and the Australian Federal Police are not commenting, other than to say that this is a very serious issue, to which they are devoting all resources to investigating.

Senator LUDWIG—Mr President, I ask a supplementary question. The Sydney Morning Herald reported yesterday that:

   The Opposition Leader, Peter Debnam, said yesterday he learned “from the streets of Sydney” that the Russian-made weapons were for sale at $10,000 each.

Did Mr Debnam ever discuss or report this federal crime directly to the minister and, if so, when? Did Mr Debnam ever report this federal crime of prohibited importation directly to Customs, the AFP or the terrorist hotline? Given the potential danger that these
weapons now pose to Australians, what responsibility will the minister take—and the New South Wales opposition leader—for his personal failure to secure our borders?

Senator ELLISON—What I am saying is that I do not accept that this necessarily involves a breach of Australia’s borders. Again, I refer people to the comments made by the Assistant Commissioner. We ought to exercise caution in relation to commenting on a very important investigation. I understand that Mr Debnam did raise the matter with the state government. That was not an inappropriate course of action. It is a state investigation coupled with a federal investigation. I am certainly not going to comment any further on this matter. It would be entirely inappropriate to do so. Let the New South Wales Police and the Australian Federal Police get on with the job of investigating what is a very serious issue.

Diabetes

Senator BARNETT (2.58 pm)—My question is to the Minister for Ageing representing the Minister for Health and Ageing. Is the minister aware that next Tuesday, 14 November, is World Diabetes Day? Will the minister outline to the Senate the prevalence of this disease in the Australian community, particularly amongst Indigenous Australians? Can he describe the Howard government’s commitment to the prevention and treatment of diabetes?

Senator SANTORO—I thank Senator Barnett for his question and acknowledge that he is an important role model for Australians with diabetes. Honourable senators will appreciate that Senator Barnett has type 1 diabetes and has proven through his election to this place that diabetes can be controlled and managed well and need not hold back those who are diagnosed with the condition. Also, I recognise that Senator Barnett is a former board member of Diabetes Australia, a former president of Diabetes Australia Tasmania and now serves on the executive committee of the Parliamentary Diabetes Support Group. I know that he is an inspiration to all those with whom he associates in these capacities.

I am aware that next Tuesday is World Diabetes Day. To mark this day, Diabetes Australia will launch a campaign to address the issues that affect Aboriginal and Torres Strait Islander people with diabetes. The prevalence of diabetes in our community is indeed troubling. It has been estimated that around one million Australians 25 years and over have diabetes, half of whom do not even know that they have it. What is even more troubling is that studies indicate the rate of diabetes in some Aboriginal and Torres Strait Islander communities is as high as 30 per cent, compared to seven per cent in the non-Indigenous population.

Next Monday, on the eve of World Diabetes Day, my colleague the minister for health will open in Melbourne a two-day Diabetes in Indigenous People Forum, to be hosted by Diabetes Australia and the International Diabetes Federation and attended by health professionals and Indigenous leaders in health and diabetes from here and from abroad.

This government’s program funding for Indigenous health, including diabetes, has increased by more than $260 million since 1995, and this year’s budget added another $136.7 million for Indigenous health measures.

Diabetes has been receiving attention as a national health priority for 10 years now. Two years ago, we introduced a free preventive health check for Indigenous adults between the ages of 15 and 54 to improve early detection, diagnosis and intervention for diseases such as diabetes. Since its introduction, I am pleased to inform the Senate that more
than 20,000 health checks have been claimed.

Diabetes also delivers a worrying financial impact, costing Australia more than $1.1 billion for direct health-care costs. In terms of treatment, the government will provide $667 million between 2006 and 2011 for Diabetes Australia to continue the National Diabetes Services Scheme to enable people with diabetes to access essential products such as syringes, insulin infusion pumps, consumables and diagnostic products at subsidised rates, as well as diabetes self-management information.

Between 2005 and 2006, almost $230 million was spent on the PBS in managing diabetes. In the 2004-05 budget, the government committed $34 million over five years for increased research and development to improve the prevention and treatment of diabetes, while in 2005-06 the National Health and Medical Research Council directed over $30 million towards diabetes related research.

Finally, under the four-year $250 million Better Health Initiative, the government is funding projects across Australia to address obesity, which is of course strongly associated with the rising rates of diabetes. Recent research indicates that 50 per cent of newly diagnosed cases of type 2 diabetes, which itself accounts for more than 85 per cent of Australians with diabetes, could be prevented through lifestyle changes. This government acknowledges the importance of tackling diabetes within our community, and we will continue to do so into the future.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Interest Rates

Senator CARR (Victoria) (3.02 pm)—I move:

That the Senate take note of the answers given by the Minister for Finance and Administration (Senator Minchin) to questions without notice asked by Senators Sherry, Sterle and O’Brien today relating to inflation and interest rates. I first draw the attention of the Senate to the fact that we have now had four interest rate rises since this Prime Minister said that the government would keep interest rates at record lows. What we have seen in recent times is that this rate of increase in the cost of maintaining a roof over your head has had very serious consequences for many hundreds of thousands of Australians.

We have already seen over the last two years an increase of some 60 per cent in the rate of defaults in New South Wales, Victoria and the Australian Capital Territory. We have seen the rates of default increase by a third in South Australia. We have seen increasing numbers of Australians put in the clutches of the loan sharks, as a result of the failure of this government to regulate mortgage brokers.

We have seen hundreds of thousands of Australians forced into acute financial stress as a result of the policies of this government. And this has occurred in a context where this government went to the last election claiming that they would keep interest rates at record lows. Four rises later, we can now clearly see that that was a proposition predicated upon a lie—a fundamental lie.

We have a situation in this country where home buyers are rightly losing confidence in the record of this government. We have a situation now where, for the first time, we are seeing that the number of people actually buying a house has fallen—the percentage of
people buying a house has fallen. If the proportion of families owning their homes in Australia had been maintained at 1996 levels, we would see 70,000 more Australians actually owning their homes.

For the first time, we are seeing first home buyers with mortgage rates much higher and less affordable than they were when interest rates were at 17 per cent. The percentage of income that is required to maintain your interest payments to keep a roof over your head now is much greater—in fact, 50 per cent greater—than it was when interest rates were at 17 per cent. And that is a simple mathematical equation that is predicated on the assumption that people are now required to borrow much more because the price of housing has skyrocketed.

We have a situation where, as a result of the rise yesterday, there has been a $50 increase in the monthly repayments on a $300,000 loan—that is an extra $195 a month since John Howard took personal responsibility for interest rates, as he did in the last election. That is an extra $380 a month since interest rates started to rise in May 2002.

We now have a situation where, as a result of this government’s actions, there are more and more Australians who are being forced into the hands of the loan sharks and are now losing their homes because they cannot meet the increased costs of debt; they cannot meet the increased costs of financing their mortgages. We have a situation where there are increasing numbers of Australians who are forced into the deregulated section of the market—the completely unregulated section of the market—where people are lent money on 100 per cent of the total value of a property.

In the west of Sydney we see declining rates in sales of property, where people now have negative equity in their properties. With interest rates increasing, people who cannot meet those payments are forced to sell their house and end up with less money than they started with. The four increases in interest rates are placing increasing burdens upon the families of this country, and since this government is responsible it should be held accountable. (Time expired)

Senator FERGUSON (South Australia) (3.07 pm)—The words that come out of Senator Carr’s mouth never cease to amaze me. It must be Melbourne Cup week, because the Labor Party want to have a couple of bob each way. One minute they are complaining because the price of houses is too high and then, in the same breath, Senator Carr is saying the cost of houses is coming down, so people are losing their equity. You had better make up your mind. It is about time you started backing some of these horses on the nose, Senator Carr, because you cannot have two bob each way on interest rates. Either you are unhappy because the cost of houses is rising or you are unhappy because the cost of houses is falling. You cannot be unhappy about both; you must decide which one.

Senator Carr goes on about the four rises in interest rates since the last election. The Labor Party did not worry too much about a 0.25 per cent rise when they were in power—0.25 was not even considered. They went straightaway to a 0.75 per cent increase and then, only a few months later, another 0.75 per cent increase. So you were not talking about the smallest incremental rise possible, which this government has been faced with—0.25 per cent each time. The Labor Party—the party that Senator Carr belongs to—preferred to put it up by 0.75 per cent and then another 0.75 per cent until we reached the stage where people were paying 17½ per cent. That is only on a house loan. As I have said to the Senate before, I dis-
tinctly remember paying 24 per cent under Labor.

And, if you want to talk about people going to loan sharks and people borrowing money offshore, I can say that it was because of the pressure of 24 per cent interest rates that two of my neighbouring farms were lost. Because of the 24 per cent interest rates, they went overseas to borrow money at a cheaper rate and then, with the changing rate of the Australian dollar, they lost their properties—thanks to the Labor Party.

Can I also say to those people who are borrowing money for houses that one of my children bought a house six months ago—the first house they have ever owned. The first thing they did was ask, ‘How much can I afford in repayments?’ They worked it out and then locked the interest rate in so that if interest rates went up or down they would know exactly how much interest they would have to pay on the loan, because it was locked in for three years. Senator Carr makes no mention of the many people who chose to fix their interest rates. They are not affected by the interest rate rises. The only ones you are talking about are those—

Senator Sterle interjecting—

Senator FERGUSON—Senator Sterle, you have not been in this place long, but I am sure that you remember plenty of people in the trucking businesses that you were involved in who were also paying 24 per cent interest rates and for longer. They paid 24 per cent under a Labor Party—the very Labor Party that you belong to—and they lost their trucks. I did not hear you speaking too loudly back in those days about the Labor Party, with its high interest rate policy of up to 24 per cent.

The Labor Party ought not come in here and talk about loan sharks. The very people they did not protect when they were in government suffered the indignity of losing their businesses because of 24 per cent interest rates. So, Senator Carr, you can come in here and talk about those people who have lost faith in the government. Let me tell you this: the last time the Australian public were tested at the ballot box, they rejected the Labor Party in a way not seen for a long time. And you, Senator Carr, were one of Mr Latham’s great supporters and you supported his policies. You supported all of those things which drove the Labor Party to the worst defeat it has had for some time. If you try to tell us that the Australian population have lost faith in the Howard government, you have a very short memory, because the last time they were tested they rejected outright the Labor Party for the sorts of policies they were proposing, both economically and in a lot of other fields, such as bringing home troops immediately. When you come in here and start raising the issue of interest rates, remember your history—and the people of Australia will never forget your record—in relation to interest rates. (Time expired)

Senator STERLE (Western Australia) (3.12 pm)—In rising to take note of answers, I note what an oxymoron ‘answers’ is. I think I have just misled the Senate and I apologise, but I will move on. I would like to quote a few paragraphs from one of the articles in the Australian today by Mr Steve Lewis entitled ‘Rates hike puts election tax cut off the agenda’. It clearly states:

With mortgage payments at a 10-year high, there is likely to be further pain for families, with the central bank signalling it may tighten monetary policy further. It also goes on to quote Mr Simon Tennent, Executive Director of the Housing Industry Association. Mr Tennent alludes to the fact that ‘housing affordability had been pushed to its lowest level ever’—not in the last 10 years but ever. The article reads:

‘For the first time, home buyers are now required to spend 30 per cent of household in-
come—the level at which borrowers are officially said to be in housing stress—to make the minimum repayments on the national average home loan.

“Based on what’s happened with house prices in the September quarter and this latest interest rate increase, the proportion of income will hit 30 per cent for the first time ever...

That says a lot, doesn’t it? The Prime Minister can say, ‘Who do you trust?’ I look forward to seeing the ads popping up on the TV with the Pinocchio proboscis sticking out every time he opens his mouth on interest rates. Do not worry, he will not be the only one. He is followed by a gaggle of government senators who will be just as guilty.

While I am at it, I would like to refer to Senator Minchin, who told us yesterday:

While I acknowledge that those families with mortgages will pay more as a result of this rate rise, they will have the comfort of knowing that mortgage rates, even at 8.05 per cent, are considerably lower than they were when we came into office, when they were at 10.5 per cent.

Senator Minchin also said:

On the average mortgage, people are paying much less than they would be paying if mortgage rates had stayed at 10.5 per cent.

What an absolutely condescending statement. I do not think I have ever heard anything like it. How dare Senator Minchin treat the people of Australia with such contempt as to think that they are far better off now, with interest rate rises, housing affordability and what they are paying out of their pockets, than they were years ago under the Labor government!

Another interesting article comes from the West Australian newspaper, from my fine home state of Western Australia. It was written by Mr Shane Wright, and there is a wonderful table in it. One could never, ever accuse the West Australian newspaper of being a left-wing publication, I can assure you of that, but it has very good reporters. They have brought to the attention of all Western Australians and anyone else who—I was going to say ‘has been fortunate enough’, but there is nothing fortunate in this damn article—has seen the article that, back in 1996 when the Howard government came into power, the average mortgage of a home in WA was $233,000 and the official rate was 5.25 per cent. They have also listed what has happened every year since. When they get down to 2006 under the Howard government—and this is the interesting part—the average mortgage in Western Australia is now $314,000, the fixed rate is 6.25 per cent and the variable rate is eight per cent.

And we hear this condescending statement from the minister yesterday about how lucky Australians are and we should be thankful that interest rates are so much lower than what they were under Labor! The average mortgage in Western Australia alone is up by $90,000. I do not know what the rest of Australia would be thinking when they hear that, Senator Minchin, but I tell you what: I was absolutely disgusted. I am sure that intelligent people listening to your speech would have felt your statements were disgraceful.

I would like to also talk about the people in Western Australia. I will just choose a federal electorate—Hasluck, for example. The people of Hasluck have copped a double whammy: not only has Mr Howard broken his promise to them to keep interest rates at record lows but his government has ignored their pleas not to build a brickworks in their backyard—a brickworks that not only will pollute the environment that they and their children live in, but, unfortunately, will likely decrease the value of their family homes. Once again, the Howard government is— (Time expired)

Senator Joyce (Queensland) (3.17 pm)—There are a few things I would like to talk about but, when I hear the Labor gov-
ernment talk about their economic credentials, that really is a trip into fantasyland.

Senator Sterle—‘Labor government!’

Senator Marshall—You’re 12 months early!

Senator Joyce—If there is one thing I will back this government to the hilt on, it is its economic credentials—because you have absolutely none. I just want to run something past you. I think it is fair to say, ‘Interest rates were trending down and interest rates were trending up,’ but what you have to take into account, good gentlemen and ladies on the other side, is the differential of where Australia was with the US under this government and where Australia was with the US under your government, because that is what it is really all about: trends.

In 1990, the interest rate in Australia was 17 per cent, which basically meant that every five years you had to be able to get a return almost equivalent to the value of your business. As an accountant, I can tell you that is virtually impossible. It sends people broke. The US interest rate was 8.25 per cent. There is the differential: more than twice the US interest rate. In 2006, the interest rate in Australia is six per cent and the interest rate in the US is 5.25 per cent. That is a clear indication of a government that has its hands on the reins, as opposed to one that is full of opprobrium, probably half tanked and completely off the rails. It might not be unique: maybe there was just a glitch in the system and, at a certain point in time, the Labor Party had no idea!

I thought back on the history of it, on my early recollection—I was quite young at the time—of someone called Khemlani. I remember that form of Labor Party management, when they would actually go out to get loan sharks. You had the best one of the lot. You had one from Pakistan who was going to refinance Australia! That is the best form of loan shark in the world. You were going to hock the whole of Australia, but you managed to hock the whole of Australia later on when you built up $96 billion on our nation’s credit card—which, of course, this government had to repay.

The Labor Party were the brilliant triple bottom liners: high inflation, high unemployment and high interest rates. You could do the lot. You are incredible. And the wealth of experience! The Mark Latham statements—his economic credentials and where he was leading the nation—in the Latham Diaries have to be read to be believed. There was the black hole that Paul Keating left behind and the ‘recession we had to have’. Do you know how much angst that cost when people started going broke, and how the Labor Party were absolutely despised because people were going out of business? They were going broke. They were having to sell up. Their contracts were falling over. They could not meet their payments at the bank. That created misery in families throughout this nation. There was that fateful moment when the Prime Minister of this nation stood up and said: ‘This is the recession we had to have. This is what the Labor government has delivered to you.’ Whether you go back to Whitlam, whether you look at Keating, whether you look at Hawke or whether you look at Latham, your form is incredible. Your form is absolutely without merit.

You were talking about prices—the repayment prices for home loans. That is because the price of real estate in this nation has gone through the roof, based on the value of land. People have confidence in the economy. The fact is that people are wealthier now. They have greater wealth than they have ever had before. The value of their assets is far in excess of what they have ever had before. That is why they keep re-electing the coalition government—because they have become wealthier.
Interest rates are going up. I have to inform you that quite a few Australians have been prudent enough to lock in their interest rates. They have been locking in their interest rates at some of the lowest rates in the history of this nation. The reason they can do that is that the hands of the coalition government on the reins are steady. They know what they are up to. The first thing they did, like any astute housewife, was to pay off the unnecessary debt—to pay off the $96 billion that a wayward, out of control government had racked up on the nation’s credit card. They are major reasons why this government— (Time expired)

Senator MARSHALL (Victoria) (3.23 pm)—One really would have to be forgiven when listening to the government speakers in this debate for thinking that the Labor Party were actually the government of this country, because their only contribution to the debate about interest rates that we have heard so far has been harking back to what happened in very different economic circumstances, very different global circumstances, in previous governments. I will talk a bit about that in a moment.

Senator Joyce actually went back to the Labor government before that; he talked about the Whitlam government—as if what happened some 30 years ago has any relevance in today’s global economy, with the very complicated and complex global environment in which we live. It is no excuse for this government to talk about interest rates as if you can automatically compare what happens today to what happened in very different economic circumstances some time ago. I think it is an absolute cop-out for them.

What the government really need to do if we are going to get serious about having this debate in this country is face up to the fact that they are in government. I think the government actually like Senator Joyce to talk about them having their hand on the tiller or having their hand on the levers of the economy. He has now given us a new phrase about having their hands on the reins. If they have their hands on the reins of this economy, you would want to have a good look at that horse and maybe take it to the vet, because we are starting to see a very serious problem with eight successive interest rate increases, four since the last election. This government wants to continue to remain in denial about the impact that these changes to the economy are actually having and why they are actually taking place.

Senator Minchin, to his credit, actually tries to answer questions fulsomely. The trouble is that he is now being hung by his own words from previous occasions. The standards that he wanted to apply in different economic circumstances and the quotes and statements about the measures of the economy that he used once now seem to have gone out the window. He seems to be able to use the government’s spin—and I can understand that is politics—about interest rates and how low they are without actually acknowledging where they are going to go and how they affect people. Again it is a feature of this government that in nearly every instance when things are going well they are totally responsible and take complete credit for everything that goes well, but as soon as things are not going particularly well then of course it is everyone else’s fault—it is either the states’ fault, the global economy’s fault or the previous Labor government’s fault. It is the fault of the Labor governments of 10 or in some cases 30 years ago that there are problems with the economy today! It is quite a bizarre approach. What did Senator Minchin tell us? He said that the reason for the interest rate rise now is the world economy. He talked about global demand.
Senator Minchin—That’s what the Reserve Bank said. You’re quoting the Reserve Bank.

Senator MARSHALL—You certainly were not disputing that view, Senator Minchin. You say it is due to the world economy. You agree with the fact that that is what the Reserve Bank says. You talked about global demand and then you went on, and I will quote you. You said, ‘We had to put a light touch on the brakes.’ I think that is a little bit in conflict with the line the government would have us believe—that they do not have any control over this and that this is something that the Reserve Bank does in complete isolation from the government. I think Senator Minchin has indicated that the government did give the Reserve Bank the green light for this increase. His words were, ‘We had to put a light touch on the brakes.’

It is fine for Senator Minchin to finally admit that, but the ‘light touch on the brakes’ does not just go to this economy; it goes to every household in this country. The eighth successive ‘light touch on the brakes’ of this economy has now led to $260 per month in extra mortgage payments on the average mortgage for Australians. That is $260 a month being taken out of the household budget, out of the household grocery bill. At the same time we see housing affordability crashing in this country. Senator Minchin also told us that—

Senator Joyce—Wait for it!

Senator Minchin—It will be profound.

Senator MARSHALL—It is coming; yes, it will be profound. If only I had a few more minutes, I would probably be able to find it in my notes. Something tells me I will have to wait till the next time I am speaking in a take note of answers debate to continue on that issue.

Question agreed to.

PERSONAL EXPLANATIONS

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (3.28 pm)—I seek leave to make a personal explanation as I claim to have been misrepresented.

Leave granted.

Senator BOSWELL—Last Wednesday A Current Affair suggested that I was personally using eight mobile phones. Despite being provided with facts to the contrary, which we provided to Channel 9 verbally and in writing, they suggested that my staff phone allocation was rorting or at least flouting the system. I am not an octopus; I do not use eight phones. I just use one mobile phone and the others are for the staff. I am sure the Leader of the Opposition does not personally use all of his 55 phones that he is allocated under the same entitlement. The member for Calare, who criticised me through the program, has three mobile phones himself. So there are 55 phones with the Leader of the Opposition, and he is entitled to that. My entitlement is the number of phones I mentioned earlier. To suggest that I use eight mobile phones personally was wrong. Channel 9 knew that story was wrong, but they proceeded to play it, quite dishonestly.

COMMITTEES

Publications Committee

Report: Government Response

Senator MINCHIN (South Australia—Leader of the Government in the Senate) (3.29 pm)—I present the government’s response to the report of the Joint Standing Committee on Publications on the distribution of the parliamentary papers series. I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—
Government Response by the Department of Prime Minister and Cabinet and the Department of Finance and Administration to the Joint Committee on Publications Report on the Distribution of the Parliamentary Papers Series

Response to the recommendations

Recommendation No. 7

The Committee recommends that the Australian Government Information Management Office monitor agency compliance with the Library Deposit and Free Issue Schemes and provide a report, detailing defaulting agencies, to Parliament by no later than 30 June the following year.

AGIMO Response: Not Supported

It is the responsibility of each government agency, to ensure that they comply with the requirements of the Library Deposit and Free Issue Schemes (LDS).

Due to the devolved nature of Australian Government publishing, it is not feasible to know what agencies are publishing and what publications are not lodged with libraries via the LDS.

AGIMO will continue to build awareness of the LDS and remind agencies of their obligations.

AGIMO will do this through direct communication with publishing agencies and the development of better practice guidance on publishing.

Recommendation No. 8

The Committee recommends that the Tabling Officer of the Department of the Prime Minister and Cabinet write to each recipient of the internal Parliament House document distribution to determine their stock requirements.

PM&C Response: Supported

The government notes that the Tabling Officer already surveys and updates on a regular basis copy requirements of recipients of documents distributed within Parliament House, and agrees that the current practice be continued.

Recommendation No. 10

The Committee recommends that the Australian Government Information Management Office, together with the Department of the House of Representatives and the Department of the Senate, investigate methods to reduce the duplication between the Library Deposit and Free Issue Schemes and the Parliamentary Papers Series. A report of their findings is to be supplied to the Committee within six months of the tabling of this report, and any changes implemented within a further six months.

AGIMO Response: Supported with Qualifications

AGIMO will work with the Department of the House of Representatives and the Department of the Senate to investigate methods of reducing duplication between the LDS & Parliamentary Paper Series (PPS).

Recommendation No. 13

The Committee recommends that the Australian Government Information Management Office continue to work with agencies to ensure that all government documents are made available online.

AGIMO Response: Supported with Qualifications

AGIMO will continue to work with agencies to help ensure that Australian Government public accountability publications are made available online in accord with Government policy.

Recommendation No. 14

The Committee recommends that the Australian Government Information Management Office take steps to ensure that documents presented to Parliament are permanently available online, including encouraging the use of persistent identifiers to online information.

AGIMO Response: Not Supported

Responsibility for ensuring that documents presented to Parliament are permanently available online rests with the Department of the House of Representatives and the Department of the Senate.

AGIMO considers that the creation of a digital repository would best meet this recommendation (refer to response to Recommendation 19).

Recommendation No. 16

The Committee recommends that agencies provide a website link, for all documents to be presented to Parliament, to the Tabling Officer of the Department of the Prime Minister and Cabinet. This link is to be included in the daily list of
documents scheduled for presentation to Parliament, which is circulated to Members and Senators.

**PM&C Response: Not Supported**
For some website implementations, it is not possible in all cases to allocate a web address to documents until they are ready to be posted on the Internet. The government therefore does not support this recommendation as it would be inappropriate to provide a website link to documents that are under embargo.

**Recommendation No. 19**
The Committee recommends that the Department of the House of Representatives and the Department of the Senate, in consultation with the Australian Government Information Management Office and other stakeholders, investigate and implement the development of an online digital repository for the Parliamentary Papers Series.

**AGIMO Response: Supported with Qualifications**
Responsibility for ensuring that documents presented to Parliament are permanently available online rests with the Department of the House of Representatives and the Department of the Senate.

AGIMO will liaise with other stakeholders (the National Library of Australia, the National Archives of Australia, the Attorney-General’s Department, the Department of the House of Representatives and the Department of the Senate) in investigating the development of an online digital repository that will include the PPS.

**Australian Crime Commission Committee Report: Government Response**

**Senator MINCHIN** (South Australia—Leader of the Government in the Senate) (3.29 pm)—I present the government’s response to the first report of the Joint Standing Committee on the Australian Crime Commission on the trafficking of women for sexual servitude. I seek leave to have the document incorporated in Hansard.

Leave granted.

_The document read as follows—_


**Introduction**
The Australian Government is actively and effectively combating trafficking persons. The Government’s measures address the full trafficking cycle from recruitment to reintegration, and lend equal weight to the critical areas of prevention, prosecution and victim support. The Government continues to monitor the effectiveness of Australia’s anti-trafficking efforts.

In June 2003, the Parliamentary Joint Committee on the Australian Crime Commission (the Committee) commenced an inquiry into the work of the Australian Crime Commission in assessing trafficking in women for the purposes of sexual servitude in Australia.

The Committee released its report in June 2004. The Committee made nine recommendations, which are addressed in turn below.

In June 2005, the Committee decided to revisit the issue of people trafficking and evaluate the progress of the implementation of its recommendations.

The Committee released a supplementary report in August 2005.

The Government will respond separately to the supplementary report.

**The Committee’s Terms of Reference and the Scope of the Report**
The Committee’s terms of reference were:

That, in accordance with paragraph 55(1)(a) and (d) of the Australian Crime Commission Act 2002, the Parliamentary Joint Committee on the Australian Crime Commission inquire into and report on the Australian Crime Commission’s response to the emerging trend of trafficking in women for sexual servitude with particular reference to:

1. the Australian Crime Commission’s work in establishing the extent of people trafficking in Australia for the purposes of sexual servitude;
(2) the Australian Crime Commission’s relationship with the relevant State and other Commonwealth agencies; and

(3) the adequacy of the current legislative framework.”

Section 55(1)(a) and (d) of the Australian Crime Commission Act 2002 sets out the context for these terms of reference:

Section 55—Duties of the Committee

(1) The duties of the Committee are:

(a) to monitor and to review the performance by the ACC of its functions;

(d) to examine trends and changes in criminal activities, practices and methods and report to both Houses of the Parliament any change which the Committee thinks desirable to the functions, structure, powers and procedures of the ACC; and

The Committee’s report was far broader than these terms of reference. Of nine recommendations, only one recommends action by the Australian Crime Commission, and only three very closely related recommendations focus on legislation. Only one chapter out of four focused on “trends and changes in criminal activities”. The remaining recommendations—more than half those made—are well beyond the inquiry’s terms of reference.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

The Committee recommends that the Australian Crime Commission focus their investigations on the methods by which people traffickers are able to circumvent Australian immigration barriers through visa fraud.

Response:

Accepted in part.

The Australian Crime Commission’s priorities are determined by the Australian Crime Commission Board, comprising the heads of Commonwealth law enforcement agencies and State and Territory Police Commissioners. The Board of the Australian Crime Commission approved a Special Intelligence Operation into People Trafficking for Sexual Exploitation in December 2003. The special intelligence operation, which allows the use of coercive powers, extended to 30 September 2006.

The Australian Crime Commission is committed to improving Australia’s understanding of the nature and scope of people trafficking to Australia for the purpose of sexual exploitation. This includes assisting other agencies to examine methods used by traffickers to facilitate movement of their victims across borders. Visa fraud and the corruption of officials to facilitate people trafficking for sexual exploitation are relevant areas where the Australian Crime Commission assists other agencies investigations as requested through provision of access to its coercive powers.

Additionally, Australia is committed to a whole of government approach to combating people trafficking, smuggling and other trans-national migration crime. In this context, the Department of Immigration and Multicultural Affairs (DIMA) overseas compliance network, in conjunction with the work of other key Australian government agencies such as the Department of Foreign Affairs and Trade (DFAT) and the Australian Federal Police (AFP), has a significant deterrent effect. The effectiveness of the overseas compliance network is demonstrated by our success in reducing the activities of people attempting to enter Australia without authority.

DIMA is the prime agency focusing on visa fraud and continues to look at profiling methods to reduce its incidence, including sex trafficking. Where such profiles can be developed, they are now included on the new safeguards systems, which alerts those processing them to inherent risks. To assist this process and to more directly address the problems of sex trafficking, a Senior Migration Officer (Compliance) was placed in Thailand in December 2003 with a specific focus on people trafficking in the South East Asia region. The role includes undertaking analyses of trends in the visa processing caseload including applicants’ travel patterns, use of migration agents and the nature of claims lodged in support of applications; vetting the visa caseload for fraud that may lead to people trafficking; and liaison with local government and non-government organisations. That officer is part of a compliance network located at 22 overseas posts in 19 countries.
Recommendation 2
The Committee recommends the formalisation of the existing Interdepartmental Committee (IDC), by the appointment of a Chairperson and charter, which should state the IDC’s formal responsibility for addressing coordination issues and its authority to issue recommendations to any relevant authority to address defects in the system.

The IDC charter should require the IDC to issue a response to matters referred to it within a stipulated timeframe.

The IDC charter should require the IDC to review its functions after eighteen months in operation and make a recommendation on its future.

Response:
Not accepted.

The Interdepartmental Committee (IDC) is formalised. It was created by the Minister for Justice and Customs, Senator the Hon Chris Ellison, in March 2003 with the approval of the Prime Minister. The IDC first met on 9 April 2003. Its mandate was to examine the issue and develop a whole of government strategy. It completed that task and now continues to monitor the implementation of the Australian Government’s measures to combat trafficking.

The Committee’s objectives of co-ordinated oversight of anti-trafficking measures can be achieved using the existing IDC, without the need for further formalisation of structures. The IDC is an overall steering group which also discusses emerging issues, particularly those which cross portfolios. The Chair of the IDC is a senior officer of the Attorney-General’s Department (AGD).

Individual agencies are responsible for the delivery of their parts of the package. This structure does not mean that “the objective of a ‘whole of government approach’ may be undermined by the absence of any single final authority” or that “there is no-one responsible for making sure that the overall system actually works”. On the contrary, the structure ensures that the overall strategic direction of Australia’s anti-trafficking measures is carefully monitored, while agency experts implement individual components. Problems arising are taken up, when appropriate, in the IDC. Solutions are developed, and individual agencies implement them.

Recommendation 3
The Committee recommends the urgent reassessment of benefits payable to women under the victim support scheme. Given that a precondition of participation in the scheme is the women’s preparedness to assist Australian law enforcement agencies to prosecute traffickers, it would be appropriate for women under the scheme to receive benefits benchmarked against those afforded to witnesses under the Witness Protection Scheme.

Response:
Not accepted.

The level of financial support provided on the Programme is parallel to that provided to Australian citizens in receipt of income support payments such as age pensioners and sole parents. In addition, victims receive access to specialised services that help them deal with and overcome their experiences. These services include intensive case management and counselling, training such as English lessons and vocational training where appropriate, and assistance with adjusting to a different living pattern or daily routine.

Recommendation 4
The Committee recommends that the following matters be examined in the legislative review announced as part of the government package:

• the adequacy of existing provisions of the Criminal Code Act 1995 covering recruiting transportation and transfer of women for the purposes of trafficking;

• amending section 270(7) of the Criminal Code Act 1995 to broaden the offence of deception to include deception regarding not only the type of work to be done, but expressly the kind of services to be provided, whether of a sexual nature or not;

• adopting the use of victim impact statements in sentencing.

Response:
Accepted in part.

The Management Advisory Committee Report Connecting Government: Whole of Government Responses to Australia’s Priority Challenges provides further discussion of the nature and role of Interdepartmental Committees (pages 26 to 29).
The Criminal Code Amendment (Trafficking in Persons Offences) Act 2005 (the Act) commenced on 3 August 2005. This legislation was developed after a review of the existing trafficking offences and consideration of public submissions in response to an Exposure Draft of the bill.

The Act inserted into the Criminal Code:

- Offences of trafficking persons into or out of Australia by means of force, threats or deception or where the trafficker is reckless as to whether the victim will be exploited (maximum penalty: 12 years imprisonment)
- An aggravated offence of trafficking persons into or out of Australia where the person intends that the victim will be exploited, subjects the victim to cruel, inhuman or degrading treatment, or the victim is endangered (maximum penalty: 20 years imprisonment)
- Offences of trafficking children into or out of Australia where the person is reckless as to whether the victim will be exploited or used to provide sexual services (maximum penalty: 25 years imprisonment)
- Offences of domestic trafficking in persons by means of force, threats or deception or where the trafficker is reckless as to whether the victim will be exploited or used to provide sexual services (maximum penalty: 20 years imprisonment)
- An aggravated offence of domestic trafficking in persons where the person intends that the victim will be exploited, subjects the victim to cruel, inhuman or degrading treatment, or the victim is endangered (maximum penalty: 20 years imprisonment)
- An offence of domestic trafficking in children under 18 years where the person is reckless as to whether the victim will be exploited or will be used to provide sexual services (maximum penalty: 25 years imprisonment)
- A new debt bondage offence to supplement the existing broad slavery offence in section 270.3 of the Criminal Code (maximum penalty: 2 years imprisonment for an aggravated offence).

The Act significantly extended the scope of the deceptive recruiting for sexual services offence in section 270.7 of the federal Criminal Code.

The amended offence not only includes deception about the fact that the person will be working in the sex industry, but deception about the exploitative conditions of that employment.

The new offence covers deception about:

- The extent to which the person will be free to leave the place or area where the person provides sexual services,
- The nature of the sexual services to be provided (for example, whether those services will require the person to have unprotected sex),
- The extent to which the person will be free to leave the place or area where the person provides sexual services,
- The extent to which the person will be free to cease providing sexual services,
- The extent to which the person will be free to leave his or her place of residence,
- If there is or will be a debt owed or claimed to be owed by the person in connection with the engagement—the quantum, or the existence, of the debt owed or claimed to be owed, or
- The fact that the engagement will involve exploitation, debt bondage or the confiscation of the person’s travel or identity documents.

The Act also inserted into the Criminal Code new offences of trafficking by deception. New subsection 271.2(2) makes it an offence to organise or facilitate the entry of another person into Australia where there is deception about the fact that the entry will involve the provision of sexual services, exploitation, debt bondage or the confiscation of the other person’s travel or identity documents.
New subsection 271.2(2A) is similar to subsection 271.2(2) but applies where a person organises or facilitates the exit from Australia.

Paragraphs 16A(2)(d) and 16A(2)(e) of the Crimes Act 1914 provide that, in sentencing a person for a Commonwealth offence, the court must take into account the “personal circumstances of any victim of the offence” and “any injury, loss or damage resulting from the offence.” Evidence given to the court as to the matters in either of these paragraphs may include a statement by the victim of the offence about his or her experience of the impact of the offence. This applies to the new trafficking offences.

The Australian Law Reform Commission recently reviewed Part 1B of the Crimes Act 1914, which deals with the sentencing and administration of federal offenders. Any proposed amendments to Part 1B dealing with victim impact statements will be dealt with in the context of that review. The Government is currently considering the recommendations in the ALRC’s report.

Recommendation 5
The Committee recommends the speedy implementation of the legislative review that forms part of the anti-trafficking measures announced in October 2003. The review should focus particularly on the measures needed to ensure Australia’s compliance with the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children.

Response:
Accepted.

The Government conducted the review as a matter of priority. The need for rapid passage of the new law was balanced with the need for careful drafting of complex legislation, the necessary consultation to ensure the laws are as effective as possible, and the fact that already existing legislation has supported numerous prosecutions.


Recommendation 6
The Committee further recommends that the results of this review form the basis for legislative changes that should be ready for introduction to the Parliament early in 2005.

Response:
Accepted.


Recommendation 7
That the Protocol be ratified as soon as possible.

Response:
Accepted.

Australia ratified the Protocol on 14 September 2005.

Recommendation 8
The Committee recommends that all trafficked women accepted onto the victim support program or receiving the Criminal Justice Stay Visa be exempt from compulsory return to their country of origin.

Response:
Not accepted.

Criminal Justice Stay (CJSV) holders who contribute to the prosecution or investigation of an alleged people trafficking offence, and who may be in danger if they return home, may be able to stay in Australia temporarily or permanently through grant of Witness Protection (Trafficking) visas.

The Witness Protection (Trafficking) (Temporary) visa may be offered to persons who hold a Criminal Justice Stay Visa where the Attorney-General has certified that the person is either:

i. one who has made a major contribution to and cooperated closely with the prosecution of a person who has trafficked or forced others into exploitative conditions; or

ii. one who has made a significant contribution to, and cooperated closely with, an investigation in relation to which the Director of Public Prosecutions has decided not to prosecute a person who was alleged to have trafficked
a person or who was alleged to have forced a
person into exploitative conditions.
The person must not be the subject of any related
prosecutions, and the Minister for Immigration
and Multicultural Affairs must be satisfied that
the person would be in significant personal dan-
ger were they to return to their home country.
A Witness Protection (Trafficking) (Permanent)
visa will be offered to persons who have held the
corresponding temporary visa for at least two
years and who continue to meet the criteria for
the Witness Protection (Trafficking) (Temporary)
visa.
In addition, legislative changes are being brought
forward to enable persons offshore who are assisting
the criminal justice process relating to traf-
ficking to also access the Witness Protection
(Trafficking) visa regime.
It would not be feasible to allow a CJSV holder to
remain in Australia simply on the basis of having
held this type of visa. As an investigation pro-
gresses it may be found that a CJSV holder was
not in fact trafficked or that they were not a genu-
ine witness. In these circumstances it is appropri-
ate that arrangements are made for their removal
from Australia. The current arrangement has also
been designed to avoid encouraging people to
become involved in sex trafficking and avoiding
fraudulent claims.
The Government’s approach is focussed on stamping out this practice, not on removal, and has provided scope for dealing with both those who cannot return and those whose return is ap-
propriate. Accordingly, Australia has developed a
special reintegration package for those victims of
trafficking who are not eligible for the Witness
Protection (Trafficking) Visa to choose to return
home. This package, managed by AusAID, is
designed to reduce the danger of the person being
trafficked again by linking victims returning home to domestic government and NGO sources
of support and counselling, support networks and
vocational training. This complements a wide
range of regional preventative efforts conducted
by AusAID with partners in the region.

**Recommendation 9**
The Committee recommends that the government
review current visa provisions, and consider
changes to ensure that the Minister for Immigra-
tion has the discretion to allow witnesses to return
to their country of origin for short periods to en-
able contact with their families. Such a visit
should be subject to conditions including report-
ing requirements.

**Response:**
Accepted in part.
Current legislation already provides means to
facilitate return.

**Senator BARTLETT** (Queensland) (3.30
pm)—by leave—I move:

That the Senate take note of the document.

I wish to discuss the government response to
the Joint Standing Committee on the Aus-
tralian Crime Commission report on the traf-
ficking of women for sexual servitude. I ap-
preciate that on other occasions we get later
opportunities to speak to these responses, but,
firstly, because it is not always certain at this
time of year that the Senate does get that
chance on subsequent Thursdays and, sec-
ondly, because of the importance of the
topic, I thought it was appropriate to take
note of the tabling of the government re-
response as an indication from the Senate of
the significance we attach to the issue and to
the fact that the government has responded.

The first comment I have to make about
the government response is that the report on
this most important of issues, trafficking of
women for sexual servitude, was actually
initially tabled in June 2004. To wait nearly
2½ years for the government to respond is a
reflection of the lack of respect the govern-
ment has for the parliamentary process, for
the committee process—and this is a parlia-
mentary joint committee, I might emphasise,
not a Senate committee—and also for the
importance of the issue. I have made this
point a number of times before, but I think it
needs to be made again and again. Hopefully,
one day the government or those ministers
who are the biggest offenders will actually
take the point on board. It is not just a matter of being disrespectful to the Senate or to the parliament in taking so long to respond to recommendations in reports; I would suggest it is disrespectful to the people in the community who make the effort to contribute to inquiries.

I was not a member of this committee at the time that it brought down this report. I think my colleague former Democrat senator Brian Greig was a member, and during his time in this place he certainly put a great deal of focus and attention on the issue of trafficking—not just the trafficking of women for sexual servitude but trafficking more broadly, though clearly the trafficking of women for sexual servitude is a key part of the trafficking problem. I know this is an issue that people in the community are working on and continue to work on, and I just think it reflects badly on the government all around for us to wait nearly 2½ years before its response comes down.

Senator Sherry—It’s not a record, 2½ years, believe it or not.

Senator BARTLETT—It is not the worst there has been, you are right, but the benchmark is meant to be three months—let me make that point as well. That is what is meant to occur. I appreciate that is not always possible, particularly with complex reports and lots of recommendations, but once you get past 12 months it is pretty poor.

Turning to the government’s actual response, the minister starts out by basically complaining that a lot of the recommendations, more than half of those made, went beyond the inquiry’s terms of reference. That may be the case—I would not pass judgement on it either way—but, when a committee starts to examine issues like these, the debate naturally extends into wider areas. I think it was open to the committee to make recommendations based on the evidence that came before it. It is not a legislative inquiry where you can say, ‘This is outside the bill before us.’ This was an inquiry into an issue. If you want to be genuine about it, you cannot just say, ‘We’ll pretend we haven’t seen that bit, even though it may lead us to find some of the answers that we need to find.’ So I think it was open to the committee to make recommendations about intelligence gathering, victim protection and support et cetera. I think this is an important part of what needs to happen.

If victims of trafficking cannot be assured of being supported and protected, why would they come forward to the police? If they fear that the most likely outcome if they do so is that they will be grabbed and sent back to where they have come from, potentially facing shame, great debt and danger from some of the criminal gangs that were involved in trafficking them in the first place, they are not likely to come forward and say, ‘By the way, there is law-breaking going on here.’ Law enforcement needs the best possible support, and that includes having a system that recognises and assists the victims.

I know that the government, in response to pressure from the Democrats and others in the community, announced a new visa scheme back in January 2004. I am pleased that the Minister for Immigration and Multicultural Affairs is in the chamber, as I know this issue is one that she is concerned about as well. The new scheme included a new bridging visa followed by a criminal justice stay visa and other witness protection visas. These have played a part—I acknowledge that—but the issue here, as I said before, is not just about visas that assist Australia in being able to generate a prosecution. That is important, but we have to look at the causal effects, not just deal with the consequences.

This is not purely a legal issue. There are victims of terrible crimes of which I think
most Australians would be completely unaware. This is sexual slavery happening in Australia. Women are being trafficked into Australia and women within Australia are being subjected to sexual slavery. I think the vast majority of Australians would be completely oblivious to the fact that this is happening under their noses. I would even suggest that many people who use commercial sex worker services would be unaware that in some circumstances they are dealing with women who have been trafficked and who are sex slaves.

I am not passing judgement on people who use prostitution—that is a different debate and I do not want to muddy this debate with that one—but the fact is that in many parts of Australia prostitution is legal in various ways. I am sure that most of those legal sex services would not use sex slaves, but the fact is that many Australians engage in this activity, and I am certain that many of them who actually come into contact with victims of trafficking would not even know it. Until we start making people more aware of the signs to look for, that will continue to happen.

The other aspect that we must take into account is the need to have ways of assisting the victims beyond just helping us to prosecute the criminals. The witness protection visas do not do that. I suggest that this is a perfect area—and the minister for immigration would be aware of calls for this—for what are generally called complementary protection visas. They are onshore visas that assist people who have very strong humanitarian cases, where there are clearly strong humanitarian reasons and circumstances that do not fit into neat categories like those under the refugee convention. It is precisely in these sorts of situations where it would be in our interests, for criminal prosecution purposes, to track down the criminals and the people behind this trafficking, and of course in the interests of the victim, providing them with more security and safety.

Recommendation 3 suggests an urgent reassessment of the benefits payable to women under the victim support scheme. This recommendation was not accepted by the government. I think that is a shame, because this is a very important area. Currently, a trafficking victim’s ability to access the victim support program is contingent on their capacity to assist police in a criminal investigation or prosecution. Trafficking victims who are not involved in the law enforcement and criminal justice process have been left to find care and support from members of the community and religious organisations, or they have no support at all. The government should consider widening the victim support program to guarantee that all victims of trafficking receive access to comprehensive health services, residential and vocational support and other legal and migration advice.

This is not just a border protection issue or that sort of thing; this is a very serious human rights issue. Trafficking, slavery and sexual slavery are grave violations of human rights and I am sure that we all recognise that. We are abandoning victims if we focus too narrowly on criminal justice outcomes.

That is why it is inevitable that this committee, in its report and in producing its recommendations, would have gone wider than just law enforcement issues. That is unfortunate, particularly with recommendation 3 and also recommendation 8, which was that all trafficked women accepted onto the victim support program or receiving the criminal justice stay visa be exempt from compulsory return to their country of origin. That would not mean they could stay here forever, but compulsory return creates a big disincentive. It is against their own interests, let alone those of the victim.
I appreciate the government finally responding, but I think there is a lot more work to do here. This is a current issue and a real issue; it is happening now in our community. It is a serious breach of human rights. We need to become more aware of it and do more to assist victims of these terrible circumstances. (Time expired)

Senator LUDWIG (Queensland) (3.40 pm)—I will not take my full time on this report of the Joint Standing Committee on the Australian Crime Commission, as Senator Bartlett has dealt with some of the substantive issues. This is a serious issue, and it does not do the government credit to fail to do three things that it should have done. Firstly, from my short inquiry this morning, it does not appear that the Australian Crime Commission or the parliamentary committee were advised that the report would be tabled today and, to ensure there was a proper response to this matter, it would have been helpful had the government advised them that that was the case.

Secondly, contained in this report is the criticism, which Senator Bartlett went to, that the Joint Standing Committee on the Australian Crime Commission might have exceeded or gone far broader than its terms of reference. Let me say this for the record, for the department that might be listening and to the minister responsible: when these matters do go broader—I do not think they did—it is because they are serious. They did require attention by the committee and they have been embodied in the recommendations that the committee made. Looking at the broad scope of the committee, the Joint Standing Committee on the Australian Crime Commission has a statutory responsibility to examine trends and changes in the methods and practices of criminal activities and to report to parliament with any suggested changes. Accordingly, the committee, as it said, conducted an inquiry into the commission’s involvement in assessing trafficking for the purposes of sexual servitude in Australia, its relationship with relevant state and other Commonwealth agencies and the adequacy of the current legislative framework. I cannot speak on behalf of the committee but, having served as a member of the committee, I can say that I make no apology for going broader than the committee’s terms of reference in making these recommendations.

Thirdly, the government has not taken this opportunity to reply to the supplementary report to the inquiry into the trafficking of women for sexual servitude. Given the length of time it has taken the government to respond to the first June 2004 report, it could have taken this opportunity to deal with both reports at the same time. The government has chosen in this instance not to do so and that is disappointing. It has indicated that a further response will be forthcoming. Let us hope that we do not have to wait a similar amount of time for that second report to be dealt with.

In terms of the general thrust of the government’s response, I have to say that, in response to some of the recommendations—and where credit is due it is worth giving—the government has ensured that we have been able to meet the relevant protocols. On 14 September 2005, the government ratified the protocol in recommendation 7 and it did pass the relevant legislation, which was facilitated through this parliament, to ensure that a relevant legislative framework was in place to deal with this shocking crime. Therefore, on those points, from the point of view of both the opposition and the government, it is worth saying that we are pleased to see both an improved legislative framework and the ratification of the protocol. Both needed to be done, and Labor are pleased that they have been done. However, the government has not responded adequately or well, frankly, to some of the rec-
ommendations—I will not go into all the recommendations now; I will take time to go carefully through them and deal with them at a later time—that would have helped victims of this sort of crime. A broader look by this government at some of those issues that were raised really is required, where the government could examine how to help the victims of such crime more. One of the recommendations said:

The Committee recommends that all trafficked women accepted onto the victim support program or receiving the Criminal Justice Stay Visa be exempt from compulsory return to their country of origin.

I think the responses the government have provided to some of those matters are inadequate and not sufficient to justify the position that they have adopted. The government’s approach is focused on stamping out this practice, which they have argued that they would, and not on removal. That is in part accepted, but I think that, in terms of ensuring that the victims of crime are treated reasonably, the government have a long way to go.

There are a range of other recommendations that I will not deal with, as I have indicated today, but I do hope to see at an earlier stage the response to the August 2005 report, because it contains a number of important recommendations, such as:

The Committee recommends that the ACC continue its involvement in law enforcement strategies against sexual servitude and trafficking in women.

Recommendation 2 says:
The Committee recommends that a review of the new legislation take place a year after its implementation ...

And recommendation 3 says:
The Committee recommends that the ANAO consider undertaking an evaluation of the results of the National Action Plan, after three years of operation.

They are three worthwhile recommendations that we do not yet have responses to, and I encourage the government to not only provide a response but also seriously consider adopting those recommendations and ensuring that they can be dealt with in a comprehensive way. The government also have not accepted the recommendation to ensure that there would be victim impact statements. The government have said that they have accepted it in part, but they have not ensured that the broader issues will be addressed for the victims of these terrible crimes. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

AUDITOR-GENERAL’S REPORTS

Report No. 11 of 2006-07

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Audit report No. 11 of 2006-07: Performance audit: national food industry strategy: Department of Agriculture, Fisheries and Forestry.

Senator O’BRIEN (Tasmania) (3.48 pm)—by leave—I move:

That the Senate take note of the document.

There is no doubt about the importance of proper and timely audits of government agencies to identify problems and ensure they are addressed in a timely manner. The Auditor-General has a key role to play in this regard, and this report highlights that fact. It is not just external audits that matter. Internal audits also play a key role in ensuring that small problems do not become big problems.

I have an outstanding question on notice to the Minister for Agriculture, Fisheries and Forestry that directly relates to the auditing of activities by his department. My question concerns internal audits of AQIS, the Australian Quarantine and Inspection Service. It concerns an application by an Australian
company to import a product into this country and build an international business around that product. It concerns the investment of large amounts of money on the basis that AQIS was doing its job. It concerns commitments made and agreements entered into on the basis that AQIS could be relied on—that Australian companies could bank on its advice. In short, my question concerns the failure of the government to properly administer Australia’s quarantine system. It is, therefore, no surprise that the minister has been so reluctant to answer it.

Marnic Worldwide applied to AQIS to import marine worms for the recreational fishing industry. Marnic relied on advice from AQIS and, on the evidence available to me, did all the things it was asked to do. The company went to considerable lengths to make sure that it understood the advice it got. Communications with AQIS were fully and comprehensively recorded. It wanted to ensure that in the event of a problem down the track there would be a paper trail. Marnic was committing large amounts of money, and encouraging others to commit large amounts of money, so things had to be right.

We now know that the AQIS advice could not be relied upon. We know that because AQIS conceded that it provided the wrong advice to this Australian company, and the company is now locked in a process of seeking compensation for the damage done to it and others by AQIS. It would be bad enough if the failure of AQIS to give this company advice on which it could rely was the end of this matter, but it is not. Even though AQIS has admitted guilt, it is becoming increasingly clear that the government is not interested in a timely resolution to the matter of compensation for the company. There is little interest on the part of the government to move this matter to finality. This is a first-order issue for Marnic’s principals and their families, but clearly it is a very low priority for this department and this minister. Just as the process of assessing, processing and issuing an import permit to Marnic was flawed, so is the assessment process that is now being used to determine the level of compensation to which the company is entitled.

Marnic’s claim for compensation is being assessed by the department of agriculture under the Compensation for Detriment caused by Defective Administration Scheme. It is a scheme devised by the Department of Finance and Administration. There are two stages to the assessment process. First, the investigating officer must determine whether or not there has been defective administration. Second, if that is found to be the case, the process progresses to determine the level of compensation payable.

In relation to the Marnic claim, stage 1 of the process was commenced on 7 November 2005—now over a year ago. It was completed on 23 February this year, but the findings were not communicated to Marnic until 2 March. This first part of the process was assessed against the published guidelines for this scheme. The CDDA guidelines were changed on 11 August this year, but no-one bothered to tell Marnic, the applicant. The company and its legal advisers continued to work to the old set of guidelines. There was contact between lawyers representing the department and lawyers representing the company on 21 August. This meeting was about setting up a future meeting with the investigating officer of the department, Mr Dalton, but there was no mention of new guidelines by the department’s lawyers. Marnic was advised that new guidelines were being applied to its claim in a phone call on 12 September, just prior to the Dalton meeting in Perth.

Between 11 August and 12 September the department pressed Marnic for information
but did not say the rules had changed. On 31 August, Marnic lawyers forwarded a 10-page letter to Minter Ellison, who are representing the department, in response to a letter dated 25 August. Marnic’s legal advisers were working on the basis that CDDA mark I rules were in force, while the department and Minter’s were operating off CDDA mark II rules. In the Marnic letter there was a specific reference to paragraphs 24 and 27 in the CDDA mark I guidelines. These paragraphs were changed in the mark II version of the guidelines. That is neglect at best. Clearly, if Marnic had been advised that its claim was being assessed against new guidelines, its response to the government’s lawyers might have been different.

I raised this issue in the last estimates round. In relation to the CDDA guidelines, I was first told that the new version was the same as the old version and that, in substance, there was no change. I was then told that the department had written to the department of finance seeking advice on the differences between the old version and the new version. I was then told that the investigating officer, Mr Dalton, had received legal advice about the difference between the two sets of guidelines. All of that is bad enough. But what I have since discovered is that, while Minter’s were advising Mr Dalton and the department on how to manage this claim, the same firm was advising the department of finance on how to toughen up the CDDA guidelines. Forget about chinese walls—frankly, this is completely and utterly unacceptable.

At the estimates hearing, the secretary of the department advised me that, far from being an independent assessor, Mr Dalton is in fact answerable to one of the parties—the department. The secretary, Ms Hewitt, told the hearing that Mr Dalton was acting ‘on behalf’ of the department. Mr Dalton is the assessor of the CDDA claim, appointed to that position by the minister. It is clear that all the information that Mr Dalton is relying on is being filtered through the department, one of the parties to the matter. It is clear that Mr Dalton and the department have legal advice about the CDDA guidelines against which this claim is being assessed. I assume that advice was provided by Minter’s, who drafted the changes. But that advice is not available to Marnic. That means that one party to this action is being afforded a significant advantage over the other. What a mess this has become.

In my view it is clear that this whole process has now been compromised. Any semblance of natural justice has gone. Senators might recall the process followed in relation to the Hewett claim against AQIS. That matter was managed by a well-qualified person who was independent of AQIS and the department, a Mr Kennedy. In that case, Mr Kennedy went to considerable lengths to ensure that both parties were fully informed of all the facts of the matter. He ensured that if one party had relevant information it also went to the other party. He sought to ensure that there was an agreed set of facts. That is clearly not the case here.

Frankly, for the person assessing this claim to have received legal advice and then to have discussed it with one of the parties and not the others is a flagrant breach of natural justice. The minister must immediately appoint a person independent of the department to fully assess this claim and independently determine the extent of the damage. I also find it absolutely obnoxious that a claim lodged under one set of guidelines is now being assessed under a second set published in the course of the action by a legal body advising the department in relation to the very action the guidelines have changed on. That should be assessed by the minister. That may well also be a breach of
natural justice. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Australian Crime Commission Committee
Membership

The DEPUTY PRESIDENT—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural Affairs) (3.58 pm)—by leave—I move:

That Senator Bartlett be appointed to the Parliamentary Joint Committee on the Australian Crime Commission.

Question agreed to.

ECONOMY

Senator SHERRY (Tasmania) (3.59 pm)—I move:

That the Senate notes:

(a) that the interest rate rise on 8 November 2006 is the eighth consecutive increase since May 2002 and the fourth since the 2004 election;

(b) that the headline inflation rate increased to 3.9 per cent for the year ending September 2006;

(c) that national and personal debt levels are increasing; and

(d) the lowering of productivity and trending down in manufacturing and services export.

The motion I have placed before the Senate on behalf of the Australian Labor Party for consideration this afternoon focuses on a number of important economic issues: interest rate increases, the increase in inflation, increasing national and personal debt levels, and lower productivity and downtrends in manufacturing and service exports.

First I want to deal with some issues relating to interest rates. It is obviously an issue of considerable community concern at the present time, given the circumstances that many Australians find themselves in. We have seen some eight interest rate increases since May 2002—four of those increases, including the increase yesterday, since the last election. I remind those who are listening that at the last election the Prime Minister, Mr Howard, on behalf of the Liberal Party, promised—a number of commitments were made, but there were two that were critical to this debate—to keep inflation under control and to keep interest rates at record lows. This is from the Liberal Party website. I referred to it yesterday and noticed that those promises were still up there.

In recent times we have seen a considerable amount of debate as to the reasons for the eight increases in interest rates over the last five years. The recent increase is as a consequence of a significant increase in inflation. As the Reserve Bank remarked in its decision to increase interest rates, the headline rate of inflation, without referring to the specific figure, has now reached 3.9 per cent. If we examine this, the Liberal government can hardly continue to claim that it has kept inflation under control. It simply has not. One of the important reasons for the increase in interest rates is that the government has not kept inflation under control. As a matter of fact, inflation has increased significantly.

The government, of course, want to give all sorts of reasons for the increase in inflation. But the fact is they gave a commitment at the last election. Mr Howard, on behalf of the Liberal government, gave a commitment that they would keep inflation under control. They did not qualify it by saying, ‘Well, petrol prices may go up, food prices might go up or there might be a drought.’ They clearly made a promise to keep inflation under control. What has happened? Inflation has started to increase significantly. They also claimed that they would keep interest rates at
record lows. How can interest rates be at record lows when we have had eight increases since May 2002?

Senator Vanstone—It is a record compared with your record, that’s why!

Senator Sherry—I will get to your record and the Labor Party’s record in a second, Senator Vanstone. And we have had four interest rate increases since the last election—since the Prime Minister, Mr Howard, pledged on behalf of the Liberal Party that they would keep interest rates at record lows. Senator Vanstone has challenged me and I will respond, because I was going to refer to history.

The Liberal Party is fond of comparing the current percentage level of household interest rates, which will be 8.05 per cent, to the peak reached under Labor of between 17 and 18 per cent. If we want to make percentage comparisons, why don’t we go back a little further in history to when housing interest rates reached 22 per cent—when the current Prime Minister was Treasurer of Australia? Why don’t we do that if we want to make percentage comparisons? If we want to make percentage comparisons, compare 8.05 per cent to the 17 to 18 per cent under Labor and to the 22 per cent when the current Prime Minister was Treasurer of this country.

But the more valid comparison is the money comparison—the actual dollar payments of Australians who are making mortgage repayments. The fact is that the level of household debt in terms of mortgage repayments has trebled in the last 10 years. That is the more valid comparison. That is the reason—and we have seen numerous examples today in the media and we have had numerous people contact us—for the difficulties that Australians and Australian families face as a consequence of the eight increases in interest rates, four since the last election.

Of course the Prime Minister, Mr Howard, and various other frontbenchers for the Liberal government are fond of laying blame. Everyone else is to blame. It is the states, it is foreign oil prices, it is inflation, it is bananas. We get all sorts of excuses as to why the promise made by Mr Howard at the last election has been broken. I thought one of the most extraordinary attempts to lay blame elsewhere was made by the Prime Minister himself yesterday. Yesterday at his doorstop interview Mr Howard claimed that, under Labor, as a consequence of our fairer industrial relations policies:

Wages will go up across the board and that will push up inflation which in turn will push up interest rates.

That was the claim by the Prime Minister yesterday: wages will go up across the board as a consequence of Labor’s fairer industrial relations policy. But only three months ago—and this is another clear example of the dissembling and misleading we get from this Prime Minister—in his address to the New South Wales Liberal Party conference on 22 July, the Prime Minister said that Labor’s fairer industrial relations policy would result in lower wages:

… we will be putting at risk the higher living standards, the higher wages, the better conditions …

He said that wages would be put at risk; they would be lowered. So three months ago the Prime Minister was claiming that Labor’s industrial relations policy would lower wages and yesterday, attempting to find another excuse and lay blame elsewhere, he claimed that Labor’s industrial relations policy would push wages up across the board—a totally contradictory position. Yesterday the Prime Minister was being held to account for his failure to deliver on his election promise, and he was looking around for any sort of excuse to spread the blame. Three months ago Mr Howard was claiming that Labor’s
fair industrial relations policy would lower wages; yesterday he was claiming that they would lead to higher wages, leading to an increase in inflation, leading to a further increase in interest rates—quite extraordinary contradictions and contortions from the Prime Minister, Mr Howard.

What we do know from real-life experiences is that a consequence of the continuous increases in interest rates is hurt for many Australian families. My colleague Senator Sterle today in question time referred to the example of the truckie Wayne Phillips, who lives in Penrith, in Western Sydney. Mr Phillips had borrowed money in order to provide a $50,000 loan to his daughter so she could buy a house. Mr Phillips was totally correct in his analysis of the promise given by the Prime Minister when he said:

This is not the first hike in interest rates, it’s the fourth since the election—so much for the Howard Government’s promises.

It is not Labor saying this; it is Mr Phillips, the average Joe Blow out there in the street, the struggling battler. Of course, Mr Phillips is not the only example. This increase in interest rates will have a very significant impact across all sectors of the community.

There has been a reference to a two-speed Australian economy. It is actually a three-speed Australian economy: we have Western Australia, and Queensland to a lesser extent, with strong economic growth; we have the other states with lesser economic growth; and the third area of the economy that we should give considerable thought and concern to is the rural and regional economy because, there, average broadacre farm debt is approximately $230,000 to $240,000. That is a considerable amount of debt for farmers in this country to carry at the same time as interest rates are going up. It has a very major impact on issues relating to the funding of cash flow and the general debt levels of farmers in this country, and at the same time they are experiencing a major drought. So the farmers of this country are really going to battle as a consequence of this interest rate hike.

We heard from Senator Boswell earlier, complaining of misrepresentation on his eight mobile phones. Since interest rates went up we have not heard one word from National Party senators—not one question and not one statement of concern on behalf of the battling farmers in this country and the people living in rural and regional Australia. We have heard not one word from the National Party. All we could get was Senator Boswell coming in here complaining about the press coverage of his eight mobile phones. If the situation were not so serious it would be funny. But it is a very serious situation when the representatives of the National Party in this place cannot utter a word of defence, a word of concern, for the battling people of rural and regional Australia, who will be really hurt by this latest interest rate increase at a time of significant drought.

That does not surprise me. I have long regarded the National Party as the doormats of the government. I refer to a Liberal government; I do not refer to a Liberal-National government. The National Party have long since failed to represent effectively the interests of rural and regional Australia. Let’s get Senator Boswell in here to contribute to this debate on behalf of the National Party. He is their so-called leader in this place; he should be in here explaining why the Prime Minister, Mr Howard, broke his election promise to keep interest rates at record lows. But he is not here; all he could do was front up and talk about eight mobile phones. That says it all for the relevance of the National Party in this country today.

Interest rate increases do have a devastating impact in the community. The last four
interest rate increases since the election have increased the cost of the average Australian household mortgage by $260 a month. We have had four increases in interest rates since the last election. How can that be keeping interest rates at record lows, when the level of repayments has increased, on average, by $260 a month since the last election? I want to refer to further comment on interest rates, particularly insensitive comments by a state Liberal Party shadow minister which have been drawn to my attention. The Liberal Party opposition finance spokesman from my home state of Tasmania, Mr Brett Whiteley, has made some truly appalling comments. He said today:

‘The interest rate increase should serve as a reminder to home buyers to be more realistic about what they can afford to borrow.’ Mr Whiteley, a former bank manager, said that if people were worried about a modest interest rate rise it was a sign they were over stretched. ‘Both individuals and banks need to be far more responsible when contemplating what sort of house to buy and the loan that comes with that.’

‘Younger couples today seem to have the unreasonable expectation that they can afford to borrow.’

This is the Liberal Party shadow minister in my home state of Tasmania saying:

‘Younger couples today seem to have the unreasonable expectation they can enter the housing market at a place where their parents are after 30 years of marriage.’

He further said:

‘Home buyers should be budgeting and keeping a buffer zone to be able to absorb such unexpected increases.’

These are truly appalling and insensitive comments from the Liberal shadow minister—

Senator Scullion—That is good advice from a bank manager.

Senator Carr—From a man of your wealth, yes. You’d know about a bit of a buffer between you and poverty. There’s quite a buffer.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Senator Carr, your colleague has the floor. So give him a go.

Senator SHERRY—I will take that interjection. These were truly outrageous comments by the Liberal shadow finance minister in Tasmania, blaming the victims, blaming the poor, struggling—in this case, Tasmanian—mortgage borrowers. They are responsible; that was the line from Mr Whiteley, the Liberal Party shadow minister. Just how out of touch can Liberal shadow ministers and ministers be when they allege that it is the poor, suffering householder who has borrowed money who is responsible? Because they are irresponsible, according to Mr Whiteley. They were quite appalling comments, and I hope that others in this debate distance themselves from these particularly unfortunate—

Senator Carr—Callous.

Senator SHERRY—callous and insensitive remarks by the Liberal shadow finance spokesman from my home state of Tasmania.

As for the interest rate rises that we have seen, it was of course the Prime Minister himself, Mr Howard, who gave the green light for the interest rate rise that occurred yesterday. The Prime Minister normally avoids speculating on interest rate rises; he usually does not make any comment at all. However, a week and a half ago he did make comments about increases in interest rates. Referring to the Reserve Bank, the Prime Minister said he could understand why the bank would be increasing interest rates. So we have a fairly bizarre situation: the Prime Minister, in the run-up to the election, saying, ‘We will keep interest rates at record lows,’ and the situation 10 days ago when the
Prime Minister was publicly giving the green light to the Reserve Bank to increase interest rates, effectively urging the Reserve Bank to increase interest rates, in view of the higher inflation rate.

Why is inflation high? Why is it increasing? Because the government has neglected some fundamental economic issues in this country. It has neglected productivity growth; productivity growth has been declining. Not only are the poor, suffering families of this country having to face finding money to pay increasing housing mortgage and other loan repayments; they are also having to, for example, cut some money out of the household budget to meet increasing food costs. In the latest inflation figures, food increased on average by 10 per cent in the last year to September. So battling families are experiencing some real difficulties while an out of touch and arrogant government is neglecting some important issues such as productivity and the education and training of the workforce—of course the government’s solution to that problem is to bring in foreign workers—and issues relating to infrastructure and investment in this country, which are so critical to lessening the pressure on interest rates.

Today the issue of national debt, the debt that the country owes to the rest of the world, was raised in question time and we referred the finance minister, Senator Minchin, to his view, when he was in opposition, on the importance of minimising foreign debt. Back in 1995, the view of the finance minister was that our then foreign debt, $167 billion—remember the debt truck that the Liberal Party rolled out as they expressed grave concern about the level of foreign debt that Australia owed to the rest of the world—

Senator Sherry—That’s right. I recall that Senator Ian Campbell, the current minister for parrots, used to drive that truck around. I remember him in it out the front of Parliament House. Where has that truck been? It has been parked in the garage.

The Acting Deputy President (Senator Ferguson)—Senator Sherry, I think you should refer to the minister by his proper title.

Senator Sherry—Yes, Mr Acting Deputy President; the minister for the environment. He drove that truck around and then parked it. We have not seen it since because in the last 10 years foreign debt has increased from $167 billion to almost $500 billion. That is what Australians owe to the rest of the world—$500 billion. It has almost trebled, and Senator Minchin said back in 1995 that $167 billion in foreign debt was ‘just mind-boggling’ and ‘beyond the comprehension of most Australians’. He said that this would put upward pressure on interest rates. That is the importance of the foreign debt issue: if you have high foreign debt you need to import the capital and you need to fund that and that puts upward pressure on interest rates. That is why today, because of the need to import capital, Australia has the second highest interest rate of 19 advanced economies. When they were in opposition, the government had a lot of concern about foreign debt when they brought out the debt truck. That was when the debt was $167 billion. But today they are not interested in foreign debt and its consequences of upward pressure on interest rates, and foreign debt has reached almost $500 billion. (Time expired)

Senator Ronaldson (Victoria) (4.19 pm)—Thank goodness that’s over. Where do you start? Quite seriously, Senator Sherry, you can’t be serious about two-thirds of your speech today. If that is the Labor Party’s con-
tribution to a debate on the economy, then while it will be a tough election next time around I suspect we will probably get re-elected. There was not one single positive suggestion about what the Labor Party would do if they were in government. Clearly, what is left open to us? If they have not got anything positive to say, we will have to refer to their previous record and assume that they will repeat the sins of the past, which is a quite reasonable take on a speech like Senator Sherry’s.

A day is a long time in politics, and it is a particularly long time for the Australian Labor Party, because it was tears of great joy yesterday and tears of anguish today: great joy yesterday because interest rates went up; tears today because unemployment went down. The Labor Party were pleased to see interest rates rise yesterday because they could attempt to make some cheap political points over a rate rise that they know and we very much acknowledge will impact on Australian families. The Prime Minister has made it quite clear that no-one likes higher mortgage interest rates. But sometimes a difficult decision needs to be made, and the independent body, the Reserve Bank of Australia, made that decision yesterday. That decision was made to underpin the long-term growth of this economy, the long-term growth of jobs and the long-term investment in education—in universities and schools—and for Senator Sherry to talk about debt and not talk about the $96 billion of government debt that this government inherited in 1996—$96 billion ratcheted up by the Australian Labor Party to pay for budget deficits—beggars belief.

Every man, woman and child in Australia shared in that $96 billion debt the Labor Party left to them in 1996. Through good economic management, that amount is now zero. Is there money left over to put into the dramatic water shortage situation we have at the moment? Yes, there is. There is $2 billion, and probably more will be required. Is there money left over for drought relief? Yes, there is. There is over $1 billion at the moment and undoubtedly that will rise. Is there money left over to pick up the slack of state Labor governments who are prepared to see our children playing outside in summer on asphalt and then returning to unair-conditioned classrooms?

I am the patron senator for Bendigo, and $3 million has gone into about 40 schools in the electorate of Bendigo to do things the Bracks government should have done. It is about putting in air conditioning; it is about putting in covered areas for children to play under in winter and summer. Could that have been done if we were running up budget deficits of $10 billion a year? Could that be done if every man, woman and child in Australia were paying $8 billion in interest payments on borrowed budget deficits? No. Would those kids in Bendigo have a computer? No. Would those kids in Bendigo have air conditioning? No. Would they have somewhere to play under cover during winter and summer? No. The Australian Labor Party’s gall in talking about the economy utterly beggars belief. I want to go to the question of interest rates.

Senator Santoro—This will be good!

Senator RONALDSON—Absolutely. I said at the start that, had Senator Sherry indicated in 20 minutes one single policy that the Labor Party would introduce, we might have a different conversation. The fact that he, in his shadow ministerial position, in 20 minutes on his own motion, was not able to put forward one positive suggestion, one point of difference, means that we are required to return to the record of the Australian Labor Party—because the Australian people will quite rightly assume that, if the shadow min-
ister does not have a positive contribution, Labor will repeat the sins of the past.

The rate rise will undoubtedly be passed on. It may well have started today; I do not know. Mortgage interest rates will rise to about 8.05 per cent. Under the Labor Party, in 13 years, mortgage rates were never lower than that. Never in 13 years did the Australian Labor Party get interest rates down to 8.05 per cent. In 1996, when the Australian Labor Party left office—fortunately—interest rates were 10.5 per cent. In Labor’s 13 years in office, home loan interest rates averaged 12.75 per cent. My notes say that, between 1989 and 1990, interest rates peaked at 17 per cent. If only they had been 17 per cent! I vividly remember buying my first house with my wife in 1983. At the peak, we were paying 18.25 per cent. In six years we did not pay a single dollar off our mortgage.

The small business community in my home town of Ballarat were utterly decimated because, as you would be well aware, Mr Acting Deputy President Ferguson, they were paying interest rates of 22 per cent, and if they were a bit shaky on it they were having another two per cent whacked on top of that—24, 25, 26 per cent! In the main street of Ballarat every second shop was closed. Unemployment was closer to 20 per cent than 15 per cent. Youth unemployment was at 45 per cent. They were diabolical days.

The reduction in mortgage interest rates since 1996, even after yesterday’s increase, would still save a typical family $449 per month in interest payments on an average $220,000 home loan. In September 1994, Kim Beazley was the Minister for Finance, home loan mortgage rates were 9.5 per cent, and this is what he had to say—and I will read through this slowly so that those opposite can take this in:

... I point out that this is still a very low interest rate regime—

this is 9.5 per cent—in Australian historical standards. It is a regime that is capable of being held at that level largely because the fundamentals of the economy in this country are very good indeed.

So in 1994 a 9.5 per cent interest rate was considered low. The Leader of the Opposition, the Leader of the Australian Labor Party in 2006, said, in 1994, that mortgage rates of 9.5 per cent are low and that keeping them at that percentage was an achievement of the Labor Party. And yet for the last two days we have heard, from those opposite, doom and gloom about 8.05 per cent—a figure that, as I said before, no-one wants to see, a figure that was put forward by the Reserve Bank of Australia.

I am pleased that Senator Sherry—I think mistakenly, and I could see the look on his face after he had said it—talked about food prices. Senator Sherry knows as well as I do that increased food prices are a result of two things primarily: the drought and Cyclone Larry. Fruit prices rose 20.5 per cent in the September quarter. Banana prices rose by 45 per cent. I am not saying, and nor would I argue, that the inflation figure we had recently was all about bananas or about food. But I will passionately argue the case that they were a contributor.

Through the September quarter, the price of fuel rose by 10.5 per cent. Recent falls in world oil prices have started to impact on the price we are paying at the bowser. That, presumably, in due course, will be reflected in the inflation rate. And, indeed, if the petrol prices remain at the current level to the end of December, then fuel would take away about half a percentage point from the CPI growth in the December quarter. So we have got food, we have got cyclones, we have got drought and we have got fuel.

Underlying inflation has also been affected by 16 years of economic growth. And
I think everyone acknowledges that. Access Economics’s recent Business Outlook said about inflation:

Underlying inflation is rising as demand catches up to the economy’s supply-side potential, which, in turn, is raising wages and the cost of materials. Headline inflation has risen even more, topped up by bananas and petrol prices. The momentum behind demand may keep underlying inflation flirting with 3% for a while, but its next big move is down. New supply is coming—more workers, factories, mines and roads. That will send underlying inflation back down through 2007 and 2008.

In the last 10 years, this government has worked very hard to strengthen the economy, to reduce unemployment, to increase real wages and to keep inflation and interest rates low. Under this government, real wages have increased by nearly 17 per cent. Under the Australian Labor Party, in 13 years they increased by 0.2 per cent. Again, because the Australian Labor Party are incapable of putting forward any alternative views on how the economy should be run, we are of necessity forced to go back to their record on what we could expect were they to be re-elected.

Under this government, inflation has averaged 2.6 per cent. Under the Australian Labor Party in their last term in government it was 5.2 per cent. In 1986, inflation was nine per cent. We talk about these figures in 2006—nearly 2007—in the context of a lack of understanding about the impact of nine per cent inflation, 17 or 18 per cent mortgage interest rates and 22 per cent small business loan rates. In 2006 we need to take in context what that would mean were that to be the situation now. And I can say to you that unemployment would not be at 4.6 per cent. Inflation would not have averaged 2.6 per cent. We would not have given our kids the opportunities they have had, of a good education, of good wages, the ability to put a roof over their heads, and the ability to have some security. The ability to go out and invest, to take a risk, to start a small business, would be gone. And this country survives, as you, Mr Acting Deputy President Ferguson, would be acutely aware, on the ability of the small business sector to survive and to employ.

The effect of the only policy that we have had from the Australian Labor Party, which is a return to a centralised union-dominated wages system, is that wage rises and booming parts of the economy would flow through to the rest of the economy, with a generalised wages blow-out on inflation and everything else. We cannot return to that.

In the quarter after Work Choices was introduced, jobs growth in this country was three times the average for that quarter over the last 20 years. The average for that quarter has been approximately 55,000 jobs. In the quarter after the introduction of Work Choices nearly 160,000 extra jobs were created. Were they created across the economy? Yes. Was there a heavy concentration in small business? Yes—because this government sent a very clear message to the small business community that we were going to give them the opportunity to invest with confidence and the opportunity to employ with confidence. In the short time that is allocated to me, let me say that the one thing that the Australian Labor Party does not understand is the relationship between small business and its employees. It is a relationship built on trust. (Time expired)

Senator CARR (Victoria) (4.39 pm)—Senator Ronaldson speaks of history and speaks of a great deal. He fails to point out that there have in fact been eight interest rises in a row under John Howard; that, during the last federal election, John Howard asked Australians to trust him ‘to keep interest rates at record lows’, yet they keep going up. Mortgages are now increasing to the point where we can no longer say that there
is such a thing as a small interest rate rise, because there are very few people in Australia at all who can say that they have a small mortgage. I remind the opposition benches of what the Prime Minister said at the Liberal Party election launch—and I am sure that Senator Ronaldson was there; I will remind him, too. The Prime Minister said:

My friends, we all prize the financial security of our families. Let me say this, and it’s not just my view, but it’s a view frequently expressed to me as I move around this country talking to Australian families. Nothing threatens that security more directly than the prospect of rising interest rates. Rising interest rates dominates everything else when it comes to family security. Just a tiny upward movement in interest rates more than devours a few dollars of taxation relief or additional family benefits. There is no economic credential for office more crucial than a capacity to keep interest rates low.

On that basis, you would have to suggest that the Prime Minister is condemned by his own words. According to the Reserve Bank, the ratio of household debt to income is at a record level of 157 per cent. Since the last election, repayments on a $300,000 mortgage have increased by $195 a month. John Howard’s interest rate hikes have hurt, because skyrocketing debt has seen that 85 per cent of disposable income, which was the level of debt in 1996, now move to 157 per cent, which the Reserve Bank estimated today. I can understand John Howard’s view that rising interest rates dominate—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Senator Carr, I remind you that you must refer to the Prime Minister as either ‘the Prime Minister’ or ‘Mr Howard’.

Senator CARR—Indeed. Thank you, Mr Acting Deputy President. The Prime Minister’s view is stated as follows:

Rising interest rates dominates everything else when it comes to family security. Just a tiny upward movement in interest rates more than devours a few dollars of taxation relief or additional family benefits.

As a consequence of these interest rate rises, we have seen that the media is now constantly reporting the harrowing tales of families losing their homes as a result of mortgagee sales. These stories are prime examples of the Prime Minister’s failure to understand that the changes to the Australian economy over the last decade have created this new reality for Australian families. I think we can forget about academic debates about inflation rates, consumption and various other things when you consider the consequences for families and their budgets and the domestic economy, which is placed under such stress as a result of these interest rate rises.

One thing is for sure: for far too many families in Australia, yesterday’s interest rate rise means that they will in fact lose their home. These are families who are often our most vulnerable in the community. These are families who are often young, who bought their houses during a housing boom and who will, as a result of mortgagee or forced distressed sales, see the value of their property being forced down. The consequences for families in the west of Sydney, for instance, is that young people, young families, who decided two or three years ago that they just could not wait any longer to get into the housing market, will now be forced to sell their houses, where they will lose a great deal of money.

These are hardworking Australians who have got to understand exactly what the Prime Minister’s comment in 2004—that the housing boom was fantastic for the economy—means for them. The situation is now arising where the housing boom has delivered massive windfalls for those who own their houses but, for young families and particularly for first home buyers, there is ever-
increasing pressure on them and their family budgets. The windfalls to existing homeowners at the start of a boom, of course, could be fed back into, with the wealthy using the increased value of their mortgage to leverage investment in rental properties and of course competing directly with first home buyers to drive inflationary cycles.

We have a situation where Prime Minister Howard and Treasurer Costello are seeing the housing boom as being fantastic for the economy, while young Australian couples are seeing the dream of homeownership slip further and further out of reach. Young couples in Sydney are putting off weddings and putting off having children while they try desperately to save for a deposit. As we have seen, the goalposts have continually moved. Eventually, the young people have shifted too. I think the former Reserve Bank governor, Ian MacFarlane, has noted the demographic risks associated with the dramatic movement of young people out of Sydney, primarily to Brisbane and Perth. I am only too happy to acknowledge that some of these couples have done well. The deposits they scraped together in Sydney, while nowhere near enough to buy a house there, were enough to get them into a house in Brisbane, Melbourne or Perth—but still with a massive loan.

The housing boom has spread to become a national crisis in housing affordability. And this, of course, is in the period when the Howard government have continued to ignore their responsibilities to Australians with regard to housing. The Prime Minister and Treasurer continue to crow about rising household wealth. We have had the Minister for Finance and Administration in this chamber speak of it on a number of occasions. They do so while at the same time turning their backs on any responsibility for the rising debt levels that have gone with it. So, as we see on so many things, we have an arrogant, out-of-touch government seeking to have it both ways. They want to take credit for the increase in wealth, which they say, of course, is a good thing, but they want to blame someone else for higher prices in housing and higher household debts. If it is not the unions, it is the states, it is local government—it is anyone but, of course, the government itself.

Housing affordability has become an increasingly sore point for ordinary Australian families. The latest figures from the Housing Industry Association and the Commonwealth Bank tell us that, for first home buyers, the proportion of income needed to pay the average first home mortgage is now back to some 29 per cent, just short of the record level of December 2003. That is in an environment where we have actually seen housing prices fall in some parts of Sydney. To put this in perspective, the equivalent figure from September 1989, with 17 per cent interest rates, was less than 28 per cent. For young couples who have taken the plunge into homeownership over the last five years, the huge mortgages they have taken on during the boom have meant it takes two salaries to keep a roof over their heads.

That is in the context where the government says, “This is all about choice”—the choice of getting ever-increasing levels of debt. The reality is that young mothers now have to rush back into the workforce before they would choose to be there because it is the only way they can afford to pay off the mortgage. The reality is that house prices give young parents no choice but to work longer hours—including weekends and public holidays—at the expense of having time with their kids. That is in an environment where the government has provided employers with maximum choice, through its industrial relations legislation, to minimise the choices for workers.
A young couple interviewed in today’s *Canberra Times* have taken on a third job and are worrying that they will not be able to start a family and still keep their home. At the sharp end, too many young Australians are asking: ‘If things are so good, why can’t I afford to pay my mortgage? Why am I about to lose my house to the bank or to some bodgie loan shark?’ This is the hollow boom in full flight. This is the price Australian families are paying for trusting John Howard when he said this government would keep—

The ACTING DEPUTY PRESIDENT—Senator Carr, I remind you to refer to the Prime Minister by his proper title.

Senator CARR—I remind you, Mr Acting Deputy President, that this is the price that Australians are paying for the trust they placed in this Prime Minister when he said that this government would keep interest rates at record low levels. And this is the price they are paying for the Howard government’s failure to protect desperate homebuyers from unscrupulous mortgage brokers and loan sharks.

The reality is that the housing boom has left too many people desperate to get into the housing market, as they watch their dreams slip further and further out of reach as prices continue to rise. Too many have seen their financial position deteriorate before their eyes. After the four interest rate rises that have occurred since the last election and the promise to keep interest rates at record lows, the opportunities for tens of thousands of Australians are similarly reduced. When people see their dreams disappearing, they are vulnerable to the new breed of ruthless lenders and brokers that are now pillaging the Australian mortgage market.

I have seen estimates that suggest that up to 20 per cent of the mortgage market will be captured by these mortgage brokers, who offer no-doc housing loans to people who are unable to afford to make the payments. These people are not required to show that they actually have an income. I have seen examples in recent times of people who are on the dole being given mortgage finance. The mortgage broker does not care whether or not the loan can be repaid. People are required to sign contracts whereby the money will be extracted without any consideration for changed circumstances. I urge all senators to have a look at their email inboxes—to occasionally spend a bit of time going through the emails they are receiving every day. Everyone would have seen these brokers touting loans which are effectively without any paperwork.

Senator Watson—They don’t send them to me.

Senator CARR—they might not send them to you, Senator Watson, but I can tell you that I get two or three of these emails per day. I have seen the advertisements on television and in newspapers. They offer home loans with little or no deposit and virtually no documents to people who quite clearly have bad credit records. These are loan amounts in excess of 110 per cent of the value of the property. The email may well be headed up ‘Guaranteed loan’ or ‘We will loan to you’. Shonky operators are operating as if they are a virus. The list of their victims is growing.

We have seen increases in the rates of mortgage foreclosures of some 60 per cent according to court records in Victoria, New South Wales and the Australian Capital Territory. This is a growing and direct response to the Howard government’s economic policies. This government, which of course has revelled in the good times, cannot turn its back quickly enough in the bad times. It cannot get away fast enough from the victims of its economic policies. More and more hardworking Australians who listened to John
Howard and his government when they said that they would keep interest rates at record low levels—

The ACTING DEPUTY PRESIDENT—Senator Carr, you have done it again.

Senator CARR—They listened to the Prime Minister and his government, who claimed that they would keep interest rates at record lows. They have now, of course, seen themselves become victims of these loan sharks. Unlike other financial advisers, mortgage brokers can put up a shingle with no qualifications and open for business the next day. In many cases pensioners are offered a refinance deal to cut the cost of their housing loans. The loan shark then signs them up to grossly inappropriate loans, which they know they cannot repay, and they lose their homes as a consequence. Do we hear anything from this government on these issues? No, not a word.

Ross Gittins told us today that rates will always go up and down—that people just have to live with it. We have heard Liberal politicians from various parts of the country now say that it is appropriate—that these are only small increases in interest rates. I repeat: in the circumstances where there are no longer small mortgages, there are no longer small increases in interest rates. Senator Minchin has expressed his view that he is disappointed that Australians have found themselves in financial difficulty. I can understand that he genuinely is disappointed. But we have seen other views expressed by many others in this country that it is to be expected that there will be casualties of the rate rises—that that is natural for the greedy and the gullible. Unfortunately the domestic economic situation is not quite so simple. What we are finding is that there are increasing numbers of Australians who have been taken for a ride by shonky mortgage brokers. They have been left in debt with no home and facing the distress of foreclosure. This is not just about the gullible; it is about the exploited and it is about those who have been misled. I find it appalling that we have this situation.

ASIC only recently referred to the Federal Court the case of a Canberra teenager who inherited a small sum, consulted a buyer and bought a house. He was on a low and intermittent income. I think he was an artist or something of that type. He signed various documents that claimed he had an income of $70,000 a year. The young man soon defaulted. ASIC alleges the broker who arranged the low-doc loan for the teenager, who could not repay it, misrepresented the teenager’s financial status to the lender and misrepresented to the teenager what would be in the various loan forms. In this particular case the young man was lucky because he did have some legal redress, and he had the brains and fortitude to take up his legal rights. But most, unfortunately, do not have that assistance. They are left stranded with a debt and no home. Of course, we have seen that situation repeated around the country.

There are some predictions that these types of loans could make up to 22 per cent of the total market by 2008. We have heard nothing from this government in terms of its moral responsibilities and its moral obligations to regulate and to ensure that these shonky brokers are brought to heel. This is a situation that requires national action, particularly at a time like we are seeing at the moment where we have a catastrophic failure of public policy and where the government has failed to move to protect those who are most vulnerable. These people are dismissed as being simply the casualties of the good times. The Howard government deserves to be condemned. It deserves to be condemned for its absolute failure—(Time expired)
Senator WATSON (Tasmania) (4.59 pm)—Listening to the Labor Party speakers, one gets a sense of gloom and doom. They are whipping up unnecessary hysteria. Yes, we all acknowledge house prices in Sydney—which seems to be a focus of their point—have always been expensive. Of course, that is a reflection of a supply and demand situation, where demand is very strong, just as house prices are going up in Perth at the moment because demand is very strong. But I remind the Senate: in contrast, we have a Howard coalition government which is providing hope and is delivering on a sound basis.

The Australian economy, I remind everybody, continues to be the envy of the developed world. We have held inflation relatively steady and seen growth rates that have not been achieved by most OECD or comparable countries. I remind people with a bit of a sense of history that, looking back a few years, this was the sort of talk that we heard from the Labor Party when the Asian financial crisis was upon us. But the reality of it was: how did Australia emerge? Australia emerged as the ‘miracle’ economy, because we had taken all the necessary steps and done all the right things. As the OECD reminds us:

In the last decade of the 20th century, Australia became a model for other OECD countries in two respects: first, the tenacity and thoroughness with which deep structural reforms were proposed, discussed, legislated, implemented and followed-up in virtually all markets, creating a deep-seated “competition culture”; and second, the adoption of fiscal and monetary frameworks that emphasised transparency and accountability and established stability-oriented macro policies as a constant largely protected from political debate.

Now, how did other people view the recent budget? I will take a couple of examples. One said:

The Treasurer’s ... budget stands at the apex of recent budgets and one that sees the economy in good shape and one that will ensure the economy continues to grow into the future. Perhaps the most vulnerable sector of the economy is often small business. And what do we hear from the Council of Small Business Organisations? They said:

... this is a budget that will help small business owners and their employees, these tax cuts will also go a long way to boosting the economy, increasing spending both at the consumer level and by business ...

So independent analysis really supports what this government is doing. Now let us get back to the OECD comparison. As the Leader of the Government in the Senate reminded us this afternoon at question time, European countries, unlike Australia, have actually had to use monetary policies to stimulate their economies. For example, they have used interest rates, or low interest rates, to try to stimulate growth and move the economy forward. How different is the scenario here in Australia? People who have analysed the situation say that the coalition’s strongest selling point is our management of the economy.

Honourable senators will be very familiar with a phrase used by Paul Keating when he was in power. He used this analogy in relation to pulling levers, but I remind honourable senators it is the coalition government that has ‘pulled all the right levers’ at the right time. As a result, it was announced in the Senate that Australians now have more people in a job than ever before, with a 4.6 per cent record unemployment rate. This just does not happen without strong discipline. So, unlike Europe, Australia has undergone unprecedented reforms in tax, labour relations, eliminating debt, superannuation et cetera. All these have contributed very significantly to raising employment, to higher wages, to higher savings, to increased pro-
ductivity, to higher growth levels and, for most Australians, to increased wealth. Our Prime Minister, John Howard, said in September:

... the reason why we have had almost two million jobs created in the last 10 years, the reason why in the last six months we have had 175,000 new jobs created since Work Choices came into operation, the reason why industrial disputes are now at their record low level since statistics began to be collected and the reason why workers’ wages have gone up by 16.4 per cent in real terms since this government—a coalition government led by John Howard—came to power is the combination of this government’s economic policies and the relentless commitment of this government to maintaining and extending the prosperity of the Australian people.

And people have some hope. They have got something to look forward to. We contrast that with the Labor Party. What does the coalition stand for? Our foremost priority is to deliver a strong economy, because a strong economy, while not necessarily an end in itself, is the means for delivering on other very important social goals and national aspirations. I remind the Senate that it is only with a strong economy that Australians and their families can build on their futures with security and can plan with certainty and confidence and with more and better paid jobs, more affordable homes and a better standard of living.

It is only with a strong economy that Australia can maintain a strong Defence Force, build better roads and deliver the best possible health and educational outcomes. A coalition government led by John Howard understand that it is not governments that really create prosperity but hardworking and enterprising Australians. It is the government that must set the environment to enable this to happen. It is our job to create the climate where markets are competitive, where enterprise and hard work are rewarded and where government can help facilitate rather than impede wealth creation. All this includes fairly important things. There is disciplined financial management so that the government lives within its means. We have been delivering budget surpluses without the need to impose higher taxes. People will recall that it was not many years ago that the opposition was advocating higher taxes or running deficits and increasing government debt.

We now have a very efficient workplace relations system, where there is incentive for employees and employers to work together in harmony, which is important, to boost productivity so that business can make profit and employees can earn higher wages. We have a very efficient tax system, where enterprise, investment, saving and hard work are encouraged as well as rewarded, rather than penalised under a Labor government. The coalition believe that if we can keep this budget in surplus and deliver on our funding commitments at important levels, such as health, education and defence, taxpayers deserve to have any left over revenue returned to them, which we did in the last budget.

At the same time, the government are creating the right economic climate. We are producing practical measures to assist industry, innovation and trade. We are helping those sectors of the economy, particularly those affected by one of the severest droughts in living memory, in practical ways to stay on their farms and to stay in business in their regional towns. We are also encouraging self-reliance and personal responsibility to be the norms and trying to dissuade able-bodied people of working age from long-term dependence on welfare. We are trying to minimise and eliminate government waste and inefficiency so that government’s investments in services, such as health, education, defence and transport, are weighted
towards services on the ground rather than on red tape and administration, as we have had under successive Labor governments.

Sometimes achieving these objectives will require some tough decisions, which are not always possible. But, at the end of the day, we are creating a strong economy—an economy that is the envy of the rest of the world—by a disciplined and systematic approach. I have to ask: why does the Labor Party play down the evils and problems of high inflation? I remind the Senate that this is the great problem facing any nation. What does high inflation do? High inflation hurts the most vulnerable members of our society—those who are least able to help themselves. High inflation causes an unintended distribution of income. High inflation creates false expectations and leads to quite bad economic behaviour, which can lead to higher wage increases and, in the end, force people out of jobs.

Contrast the situation in Australia with that in the United States under the Volcker administration. The US Federal Reserve was targeting inflation within a range; it so squeezed the economy that it resulted in high unemployment rates. And it used interest rates to squeeze inflation out of the economy. In other words, the whole thing got out of balance. The beauty in Australia is the strict discipline and the acknowledgement of the independence of the Reserve Bank. Things getting out of balance can create problems. The advantage of our government’s approach is that we look at every aspect that has an impact on the economy and we take necessary measures as and when required. One of the difficulties in terms of the Reserve Bank decision recently to increase interest rates is that it does not differentiate between states. Tasmania, Victoria and New South Wales quite often are the hardest hit in paying for some externals, such as oil-price effects or cyclone effects, such as those of Cyclone Larry.

In comparing policies, if we go with the policies espoused by the Labor Party in this place in recent times, Australia ultimately could be led down the Argentine path, where inflation has absolutely got out of control. The Reserve Bank has the delicate job of matching and controlling the levers that are going to affect inflation, full employment and growth. The challenge is that they do not, as they have done once or twice in the past, give an interest rate rise too long in a chain. I remind honourable senators that sometimes interest rate rises have a deferred impact. In other words, people do not default on the very next interest rate rise; it often takes a little time to filter through the economy.

If I may offer some gratuitous advice: be careful that you do not take one interest rate rise too often. But in Australia we really have relatively low inflation, at 3.9 per cent. Yes, it is above the norm that we would like, but look at what happened under the Labor Party: a peak of 11.1 per cent and an average of 5.2 per cent. With the targets that are now set, how would the Labor Party, given the advice that we continually get from the other side, live within these sorts of constraints? That is the worry that voters need to take into account. Lower inflationary expectations greatly enhance the confidence of business to invest and of individuals to plan for their future.

We have had a focus on looking at all aspects and we have achieved an elimination of government debt. When governments run budget deficits, money has got to be borrowed. The interest rate savings that we have achieved—the $10 billion black hole: remember that?—are now able to be put into worthwhile things such as health, education and so on. But, to come back to inflation, the
big thing is the need to preserve the purchasing power of money. If inflation is high, investors will require a higher interest rate for lending their money. The good news is that the coalition government is, to use my earlier phrase, pulling all the right levers at the right time. By doing so we hope to control inflation, which in our country is often a result of external causes as opposed to internal, as enunciated by the Labor Party.

In looking at this question of interest rate rises we have to look to where the responsibility or the blame lies. Essentially, in terms of our inflation, high commodity prices are indeed unfortunate. Are we blaming John Howard for that? Are we blaming John Howard for higher oil prices? These are the sorts of things that obviously do feed into the economy. Listening to the Labor Party speakers, one would think that it is all domestically induced, that it is all government inspired. I tell you it is not that in any case. And the Reserve Bank, to its credit, has kept interest rates quite low.

When we go back and look into a bit of history—and I know this is sometimes unfortunate—our current Leader of the Opposition, the Hon. Kim Beazley, was once the finance minister and home mortgage rates were 9.5 per cent. What did he say? He tried to convince the Australian electorate that they were still low by historical standards in Australia. What is Kim Beazley saying now when we have interest rates a lot lower than that? I put to the Senate that when they went to the last election they certainly had a very big spending platform but they did not have a disciplined approach that was going to affect every aspect of the Australian economy, including labour relations. The scare campaign surrounding that has not been borne out, because we have created more jobs, higher paid jobs and lower unemployment.

I come back to the fact that Australia has an economy which is the envy of most of the rest of the world. We can look forward to the future with a great deal of confidence. I urge people to ensure that they do not turn back to Labor, because of the consequences. I say that not only because of their track record but because of what they have said today about how they are going to solve Australia’s ‘problems’ when in fact the rest of the world believes we are doing remarkably well.

Senator LUNDY (Australian Capital Territory) (5.19 pm)—It is interesting to see how the government senators resort to pretty shallow rhetoric to argue a defence of the government’s economic situation. It does not take someone with too much foresight to understand how much the Howard government has squandered the reasonable economic circumstances this country has found itself in through the last 10 long years. I would like to turn first to the issue of innovation and development of new industries and new sectors, particularly new technologies.

Over the last 10 years the Howard government has relied heavily, and more so lately, on commodity exports for Australia’s economic health and it has done the opposite when it comes to strategies to find new ways to create economic growth in Australia. It is only by the good fortune of the cycle of growth of countries such as China that our commodities exports are so strong, underpinning our economic growth. The manufacturing areas, particularly the high-technology area and the elaborately transformed manufacturing area, are shrinking at a rate of knots. So what we as a country have done over the last 10 years is decline in all of the areas that smart, clever countries have been investing in to grow their economies. Australia has been contracting precisely those areas and becoming more and more reliant on what we extract from the earth. This has left us particularly vulnerable, and in a way that,
while it is healthy at the moment, is not sustainable for long-term future economic growth. It also has a series of flow-through effects in our economy, not least of which is how we try to shape our relationship with our trading partners in the future.

We have already seen how Australia can very easily become the provider of raw materials only to find our imports of elaborately transformed manufactures and high technology going through the roof. Our national foreign debt, standing at some $500 billion, I think—triple what it was 10 years ago—is testimony to that increasing vulnerability, to that reliance elsewhere and to our not being able to keep up our own part.

This has manifested itself in many ways. It has manifested itself in the loss of many of our clever people and great minds to overseas. It has resulted in a general lack of confidence in the education system in Australia, which I would argue was one of the finest and which has suffered so many damaging blows now. It is very difficult to stand proudly beside Australia’s education record when you see us sliding down the scale in expenditure on the OECD list. We are now spending less on education than most comparable OECD countries.

I mentioned earlier the decline in research and development, another area where this government has made some very tough decisions to reduce investment. This was particularly during the early years of the Howard government, when it saw that quite frankly as not a priority at all and an area where it could make some pretty rudimentary savings in the budget. This was at the expense of Australia’s long-term interest. We have also seen the damage done to our vocational system of education, the TAFE system. I will speak a little more about that.

But the overall picture is one where the long-term interests of Australia’s economic growth have not been cared for in any way, shape or form. The skills crisis is now a product of that neglect, with that investment not there in our higher education system—be it vocational or tertiary education. We are now paying the price, and it is with great frustration and disappointment that many Australians see the Howard government now over-reliant on using temporary skilled migrant labour to fill those skills gaps. I am the first person to say, ‘Yes: where there are genuine skills gaps we should be using that.’ But when the skills crisis has effectively been orchestrated by the Howard government, which then stands in defence of a skilled migrant program that is being used to fill the gap rather than actually addressing the problem that has caused that symptom, it is very hard to say that the government has any credibility at all. I think average Australians and people who are out there trying to get the skills they need for life or, indeed, update their skills for life can see the facts for what they are.

It is getting harder and harder to get an education. It is getting more expensive and it is a user-pays system; if you are not affluent in this country then in the future you will not be able to afford an education. Many people are experiencing that problem right now.

The other aspect of the skills crisis is that it is getting worse. Skilled vacancies in October 2006 were 1.5 per cent higher than for the same period last year, demonstrating that there is real damage being done to Australian businesses, their families and the national economy. These figures have been reminding the Prime Minister every month for years that he should have been taking action on this problem, instead of—as he has done—denying its existence. He just pretended it was not there. I would like to run through some of the areas with the most damning shortages. They include the science professionals, workers in the building and engi-
neering sector, the associate professions of medical science and technical officers, and tradespeople. The biggest increases in reported skilled vacancies were in printing, automotive and wood tradespeople.

This government claims that Labor do not have any ideas; of course we do. We have got a plan to train more Australians by giving each traditional apprentice a $3,200 skills account to cover the cost of up-front TAFE fees, textbooks and materials. We have also proposed a trade completion bonus of $2,000 to encourage apprentices to complete their training, because we know that under the Howard government system a massive proportion—some 40 per cent of apprentices—were not even completing their apprenticeships. This shows that the system that is supposed to be training these people was not working under the Howard government. This, together with Labor’s skills account, would make an extra 13,000 qualified tradespeople available to Australian businesses every year. That is the sort of practical intervention that is required.

I would like to say a few words about the TAFE system as well. TAFE has copped a beating under the Howard government. It has been an unfair and ideological attack. A new report into the TAFE system shows that TAFE has a vital role in addressing Australia’s skills crisis if it is adequately resourced, and a document titled TAFE futures: working towards a principled future by Dr Peter Kell calls for increasing funding for the TAFE system to help address skills shortages by reducing the financial barriers which discourage young people from entering a training program, improving its infrastructure and equipment, and recruiting and retaining a professional teaching workforce that will meet TAFE’s future needs. But I have to say that I cannot see the Howard government listening to this advice, because over 300,000 Australians were turned away from TAFE. That is evidence that Mr Howard, the Prime Minister, is neglecting it. This must stop. I think TAFE has been a victim of bad Commonwealth policy and this is now flowing through, impacting on families and individuals at a very personal level as well as being damaging to the Australian economy.

I will turn now to the more general issues that are going on around people’s kitchen tables. The Howard government is going so completely wrong at the moment because it is so caught up in its own bubble of hyperbole about the state of the economy and its record. This is obviously a political feature of governments having been around for far too long, and it shows that there is a complete disconnect with what it is able to observe and say about the state of the economy, how people are faring and what is actually happening in the real world.

I have no doubt that this government has lost touch with what Labor calls Middle Australia—people who work on a daily basis, who are probably trying to raise kids, but not necessarily, and who are really struggling with their mortgages. My colleagues have asked several times already in this debate: how can things be so good, which is what they hear from the government all the time, and yet our situation be so tough? It is because of the way this government has not only misled Australians but allowed the costs inflicted on individual families to blow out of control, and nowhere more so than with interest rates.

It is so disgusting when you think about the campaign this government led at the last election about how interest rates would rise under Labor, with the direct claim that they would not rise under the Howard government. If you take a moment to recall those advertisements leading up to the last election, in retrospect with now eight interest rate rises in a row, you start to get a sense of
the anger that is building in the community that they were so conned. Not all of them were conned, because not everyone voted for the Liberal Party, although I think this government likes to think everyone did. A proportion of people were conned by this government to vote for them on that basis.

True to form, the Howard government used fear and loathing to goad and intimidate people into voting for them. The same people that were motivated to vote in that way are now the ones that are really hurting. They are the ones that are paying $200 or more a month to pay back an average mortgage. They are the ones that are throwing their hands up in the air and saying, ‘So much for that promise!’ The bottom line is that it has been completely disproved and the Howard government has been shown to have lied to the Australian population. I think it is good that he has been exposed.

At the time, Labor made it very clear that the interest rate rises could not be controlled by any one person. We argued that at the time. However, we also argue that there is a capacity to influence interest rate rises by putting downward pressure on the causes of the rises. We have already undertaken to do exactly that, and that is why I mentioned the skills crisis and the need to invest in our economic future and in education to shore up our prospects, our crumbling infrastructure and so forth. We will address those issues. What we will not do is exacerbate the upward pressure on interest rates, as this government has done. We have seen them do that consistently with a range of issues but particularly those going to the heart of our future prospects as an economy.

I note with particular interest the Prime Minister’s cute little sidestepping, backflipping, tripping-over dance with the question of wages. He has claimed previously that under his Work Choices system wages are better and they have improved more than they have under anyone else’s system. When it suited the Prime Minister he argued how successful the Howard government had been in shoring up wages and pushing them up. But what did we see today? The minute the heat was turned on about the interest rate rises he skipped across to the other side of the street and ran back down the other way saying: ‘No, interest rates would go up much more under Labor’s industrial relations plans. Under us we’ll keep them lower.’

The bad news for the Prime Minister is that Australians are not stupid and they can see through this misleading tactic and this misleading manipulation by Mr Howard, Australia’s Prime Minister. It just does not wash any more. People are fed up. People around kitchen tables in Australia can see through the Howard government. I, of course, hope this augurs very well for the next election, but sadly for many people and many families who are paying 50 per cent more in mortgage interest repayments than they were way back in 1999—let’s understand that—there is still up to a year and maybe even more to go before the Howard government can be removed from office.

Labor believes there needs to be an ambitious program to put downward pressure on inflation and on interest rates. If you are a homeowner with a mortgage of $300,000, you are now paying almost $200 a month more than you were paying when this government promised two years ago to keep interest rates at record lows. The fact is that people are now taking on three times the level of debt that they had in 1989. So any comparison with the situation of interest rates under Labor previously is completely spurious, misleading and manipulative of the Australian population, who are burdened by these rising monthly payments. If the Liberal Party and their government, the Howard government, had any sense of even wanting
to preserve their own credibility they would not persist with their blatantly misleading statements about interest rates.

In closing I would like to go back to my opening point about the big picture for Australia. For 10 years we have endured a stunted, myopic vision from this government. It has been nothing more than looking from one election to the next, with a substantial attempt to bribe and frighten Australian voters into voting for them next time. There has been no hope or grand vision. Even this week, with the drought and environmental crisis that the globe is engulfed in, we have seen such a reactionary response from the Howard government that stands as even more evidence of their short-term approach to managing this country. I think that is the greatest indictment. People out there do not feel proud of a government that has offered them so little. They do not feel proud and they do not feel a part of a world that they cannot relate to, the world that Mr John Howard, the Prime Minister, espouses. They cannot see themselves doing well, and Mr Howard cannot see what he is doing to them.

Senator PARRY (Tasmania) (5.37 pm)—I also rise to speak on the motion proposed by Senator Sherry, No. 623 in today’s Notice Paper, and in particular:

(a) that the interest rate rise on 8 November 2006 is the eighth consecutive increase since May 2002 and the fourth since the 2004 election ...

We need to understand that interest rates move within bandwidths; they do not just sit at one particular level and stay there forever, otherwise we would not be discussing interest rates and economies would not work the way they work. Interest rates will move. They will fluctuate constantly, depending on world and local issues. Equally, interest rates move according to factors that are necessary for any Western economy. It would be just ludicrous to think they were going to stay in one spot. But one thing that this government has achieved is that we have maintained interest rates within what I call a low bandwidth.

There are bandwidths that interest rates will fluctuate within. Under the previous government, the Labor government, the bandwidth was very high, and interest rates did not stay at one level within that bandwidth; they moved. They moved to very high positions and they moved to moderately high positions. Over the last 10 years, in particular the last couple of years, they have been at the low end of our low bandwidth. I think that is a record that no-one could deny that this government has achieved through good economic management. Good economic management is one issue; it is not the only issue. I shudder to think what interest rates would be like under a Labor government, where the economic management record is not as sound and not as good as ours.

I want to address a couple of issues that Senator Lundy just raised. I want to quote from Real Estate Market Facts, a publication that comes out quarterly from the Real Estate Institute of Australia. In the March quarter, there were some interesting facts concerning generation Y and the change in that generation, in an article headed ‘Generation Y sacrifices for great Australian dream’. The article was produced by Warren O’Rourke, the National Corporate Affairs Manager of Mortgage Choice Ltd. It states:

In order to better understand the next generation of property borrowers, Mortgage Choice surveyed Generation Y on their property investment intentions. It continues:

In the independent online survey conducted with over 1,000 Australians aged 18 to 28 years, 85.2 per cent who are purchasing a property or saving for a deposit within the next two years intend to make sacrifices in order to achieve their goal.
This is one of the issues that come to the core of the matter—that is, income levels are higher under this government. There have been enormous increases in real wages compared to when Labor was in office. The disposable income of people has increased. Younger people who want to go into the housing market also want to have other things.

I know the sacrifices I went through in the late seventies and early eighties when I started to buy my first home. I know what it was like. We went without. We simply went without things. That meant that you did not have a new car. That meant that you did not have furniture. In fact, I had some rooms of my home that were not furnished at all in the early stages. That is what you do, and that is what you have to do. You have to make sacrifices. I will continue with some of the interesting figures and interesting facts that came out of this survey. It stated:

‘Generation Y’ and ‘making sacrifices’ are not usually spoken in the same sentence but it seems this group of Australians are just as determined as previous generations to anchor a substantial amount of their financial future into property.

It continues:
With multiple answers allowed, the most common sacrifice was to cut back on spending—81 per cent said that—while 40.4 per cent planned to miss out on overseas trips. Next were—
that is, the next issues that people in this generation were considering were—changing to a higher earning job—
if they could—
remaining in a current job ... purchasing a less expensive property—
and this is another important factor. To enter the housing market—I know that in Tasmania, my home state, there are plenty of houses that could be purchased for very modest amounts of money—people set their sights on higher property values when they probably should be entering the market at a lower level. It is a choice for everyone to make, but to say that it is the interest rates alone that are causing people not to enter the property market is absolutely false. This article also stated:

In previous decades, that number would have been higher. Housing affordability is a big issue for this generation but it doesn’t appear to have much impact in deterring them away from the market.

I will repeat that: ‘It doesn’t appear to have much impact in deterring them away from the market’—contrary to what has been proffered from the other side. It continues:

Property ownership—whether for the purpose of making money or making a home—is a goal that the majority of Generation Y is aiming for.

So the bandwidths that interest rates move within under the coalition are low and are not deterring new entrants into the property market—in particular, the people under the age of 28 years, as that survey bears out.

There are some other matters on housing affordability which are very important. In the world, Australia still has traditionally very high ownership rates—around 70 per cent. I think only Italy has a higher rate than we do. The most important way that we can improve housing affordability is not simply keeping interest rates at a certain low level, certainly within the low bandwidth that this government is proud of achieving, but keeping unemployment low. And what a record we have for keeping unemployment low! That is a significant factor in creating housing affordability.

Another way is to keep real wages rising. We have proven that over our decade in office. The real increase in wages, the disposable income level, is certainly higher under the coalition than it ever was under the Labor Party when they were in government. Yes,
keeping interest rates within a low bandwidth is very important, but it is not the only factor. I keep stressing our bandwidth of low interest rates because a bandwidth of fluctuating interest rates is very important to remember, not just a single low interest rate figure.

Maintaining competitive and efficient housing construction is another important factor. I could go on forever explaining how we have created a very competitive and efficient industry sector. Some of the government’s policies have assisted greatly in that. These things do not happen by accident; they happen with deliberate hands on the levers of the economy and all the aspects that go with the national economy. Ensuring adequate land release is another very important aspect in keeping land prices relatively low. Whilst increasing with inflationary aspects, it is important to keep land prices at a low level.

If the opposition were serious in keeping housing within what they say is the reach of every Australian, they would need to make sure that it is affordable at every level—not just interest rates, not just the mortgage. What about the add-on costs? What about stamp duties on land transfer? They represent 1.6 per cent of the GDP in Australia, compared with the OECD average of 0.7 per cent. I know it has been quoted before, but it is worth repeating and placing on the record that on 18 August this year the former Reserve Bank of Australia governor said:

I think it is pretty apparent now that reluctance to release new land plus the new approach whereby the purchaser has to pay for all the services up front—the sewerage, the roads, the footpaths and all that sort of stuff—has enormously increased the price of the new, entry-level home. That is a supply-side issue, not a demand-side issue.

It is important to understand that land release and the up-front costs, not interest rates, prevent people from entering the housing market. Interest rates are not a single determining factor; it is these other factors. And Labor state governments have control over these other issues that contribute to the inability of some people and the reluctance of others to enter into the housing market.

The Reserve Bank’s September 2006 Financial stability review showed that the mortgage repayment burden on a new home occupier mortgage was 27.7 per cent of average household disposable income, compared with 30.4 per cent in 1989 under Labor. So homeowners are clearly better off today than they were under Labor, when interest rates reached 17 per cent. That is a very important aspect for us to remember. I know that when we had two young children and were struggling with a mortgage on our family home it was very difficult for us to pay interest rates at that high level. Under this government, interest rates have never been anywhere near that high level, and they have been much lower within that bandwidth. From an interest perspective, I think that makes housing affordability extremely reachable.

There are some other matters that I wish to mention which concern mortgage interest rates. It is important to reflect that, apart from maintaining substantially lower interest rates than those during the Hawke-Keating years, we are also facing the worst drought in 100 years. This has an inflationary aspect. We have experienced the highest oil prices for a long time, in fact ever. The effect of natural disasters has been mentioned in this chamber before—in particular, the effect of Cyclone Larry on fruit prices. Fruit prices, which do affect people’s day-to-day spend, rose by 20.5 per cent in the September quarter. Enough has been said about the price of bananas over the last few months, but they rose in price by 45 per cent. Automotive fuel has also increased in price. It increased by 10.5 per cent. These factors can also affect a
person’s disposable income, not simply interest rates. It is important to acknowledge that interest rates are just one aspect, and we still maintain and argue—I think successfully—that interest rates are still within a very low bandwidth.

As I mentioned before with that study from the Real Estate Institute of Australia, another aspect that we need to consider is how people spend and what their priorities and their focuses are. The priority for an overwhelming number of people is to own their own home, and they are not deterred by the entry cost. They realise that they have to make sacrifices, as many people have in the past, when buying their first home. I think that is a very important thing to consider.

Senator IAN MACDONALD (Queensland) (5.50 pm)—I am a bit of a hoarder. I still have every single bank statement I received since I started work in 1964, and that is bad news for Senator Sherry.

Senator Sherry interjecting—

Senator IAN MACDONALD—Exactly the point, Senator Sherry. I have my bank statements, and I was able to trot them out at the last election. My younger staff members would not believe that I paid 17 per cent interest. I was able to produce for my younger staff members and also for the TV cameras my bank statements which clearly showed that I was paying 17 per cent interest in the Hawke-Keating years, and I still have those bank statements. But, unfortunately for Senator Sherry, John Howard was Treasurer between 1978 and 1983. I purchased my house in 1978, and I can show you the bank statements, Senator Sherry. I never paid 18.2 per cent interest, as you alleged in your speech. Senator Sherry, I think you should stand up at the end of this debate and apologise for misleading the Senate—I will not say lying to the Senate—with your allegation about the interest rates that homeowners were paying when John Howard was Treasurer. I have the actual evidence.

Senator Sherry—It was 22 per cent.

Senator IAN MACDONALD—You say 22 per cent?

Senator Sherry—Yes.

Senator IAN MACDONALD—I was paying 22 per cent on the housing loan?

Senator Sherry—You had a capped loan then.

Senator IAN MACDONALD—Well, it was not capped when Mr Keating and Mr Hawke were around. It was not capped then; it was 17 per cent that I was paying in the Hawke-Keating days. Unfortunately, my bank statements are back at home, but I will get them and bring them down to you, Senator Sherry. There was no way in the world that I was paying 22 per cent when Mr Howard was the Treasurer. From memory, it would have been about seven, eight or, perhaps, nine per cent—I do not know—but it certainly was not 22 per cent.

I think you should get up at the end of this debate and apologise for misleading the Senate by alleging that, in the time that John Howard was Treasurer, homeowners were paying those sorts of interest rates, because I—and I am sure anyone else in my situation—will be able to prove the lie to your statement. You trawl out figures quite regularly now in the hope that you might mislead the media or anyone who might happen to be listening to you about the situation back in the days when Malcolm Fraser was Prime Minister and John Howard was Treasurer. But people will understand that you are not telling the truth, and I would urge you not to pursue it further. I will bring my bank statements down, and one day in the next session of this parliament I will table a couple of my bank statements from those days to demonstrate what I was paying in interest rates.
when John Howard was Treasurer and what I was paying when Paul Keating was Treasurer.

With regard to this motion, a lot of the rhetoric that goes on these days is, again, the Labor Party trying to recreate history, trying to amend history to lessen the knowledge of the Australian people on what poor financial managers the Australian Labor Party are when they are in government. Why are they poor financial managers? It is for this reason: they spend, spend, spend because it gives them an immediate and short-term electoral popularity. They give money to anyone who comes along with a bit of a sob story. They give them a handout and pay them whatever they like. Labor Party governments never understand that someone has to pay for this largesse that goes out in the way of electoral bribes. They are incompetent and incapable of managing an economy.

In the few minutes left to me I want to pursue a little further the theme that Senator Parry was speaking about in the speech immediately previous to mine. The real problem for new homeowners is not interest rates but the cost of government taxes. I quote from a recently released report from the Property Council called *Reasons to be fearful*. It says:

On a national average, a quarter of the money Australians pay for their new homes or units is made up of taxes and compliance costs associated with producing new housing. The figure is as high as 35% of the cost of a new detached house and up to 28% of the cost of a home unit.

Further, this research report, which is a very detailed report—all credit to the Property Council for doing this—makes the point: These costs—of state governments and local governments—

are now arguably adding anything anywhere from $360 per month up to $1,445 per month in mortgage payments (assuming that new home purchasers are funded for loans of 7.25% over 25 years). By contrast, an interest rate rise of 0.25%—which we had a couple of days ago—(which would result in banner headlines across the nation) would only add $65 per month to a mortgage of $200,000.

I will repeat those figures: an 0.25 per cent increase in interest rates is an increase of $65 per month, and the costs that are imposed because of state government charges and taxes are anywhere from $360 per month to $1,445 per month.

Further, the Property Council relates this example: a purchaser of a $1.8 million home in upmarket inner city Mosman would pay about $85,000, or 4.7 per cent, in taxes on a purchase. By contrast, a young family purchasing a new home for $570,000, a house and land package in Sydney’s outer northwestern development corridor, is paying $130,000, or 23 per cent of the purchase price, in taxes alone—that is, stamp duty, land taxes, state development levies, local government development levies and the GST.

We heard Senator Carr making the old Socialist Left plea for the workers and young families, but he forgot to mention that those workers and young families who try to get a home are slugged to the extent of $130 by the state Labor government in New South Wales. Why was Senator Carr not decrying the state Labor government for that? Sure, he had a lot to say about a 0.25 per cent increase by an independent Reserve Bank, but his friends in the Labor government in Sydney whack on those sorts of costs and you do not get a peep from Senator Carr. I think Senator Carr’s approach and the misinformation—if I might politely put it that way—of Senator Sherry are, again, examples of the Labor Party trying to rewrite history, desperately trying to attack the credentials of this gov-
ernment when it comes to financial management.

I remember that before the last election, while this government was running the economy properly so that pressure was kept off interest rates, the best Mark Latham could do was to get there before the TV cameras and sign an interest rate pledge. Do you remember that? Somehow he thought that picking up a pen and scribbling a signature with it would bring interest rates down. No wonder the Labor Party are trying to rewrite history, no wonder the Labor Party want to forget their recent past and no wonder they want to raise any bit of misinformation that might be around to try to alter the fact that the Howard government has been an exceptionally good government in running this country. I have confined my remarks to the housing market, as many other senators did, but the way of the housing market is indeed very instructive in other areas of the economy.

Debate interrupted.

DOCUMENTS

Commonwealth Grants Commission
Debate resumed from 19 October, on motion by Senator Watson:

That the Senate take note of the document.

Senator BARTLETT (Queensland) (6.02 pm)—The Commonwealth Grants Commission revenue-sharing formula is often a matter of continuing stoushes between various states about the way that different Commonwealth revenue is divided up between the states and territories. Not surprisingly, each state and territory tends to think they should be getting more and some of the others should be getting less. Certainly, in recent times there has been a fairly continual propaganda campaign from governments, in New South Wales in particular and to a lesser extent in Victoria, targeting in particular Queensland and to a lesser extent Western Australia saying that Queensland basically is getting too much, we are getting more than our fair share, and that is at the expense of states like New South Wales.

I do not want to turn the Commonwealth Grants Commission revenue-sharing relativities issue into a state of origin contest but I do think it should at least be based on something more solid than jingoistic parochialism. To that extent I think this report is valuable. It is often talked about as though there is some simple formula, X divided by Y times Z, which gives so much money per state. That is not particularly accurate because the principle that the commission bases its calculations on is horizontal fiscal equalisation, and there are actually a range of mathematical formulae that the commission uses, simply as the means by which the commission seeks to implement that principle. To define or clarify what that principle of horizontal fiscal equalisation is: it is that state governments should receive funding from the pool of goods and services tax revenue and healthcare grants such that, if each made the same effort to raise revenue from its own sources and operated at the same level of efficiency, each would have the capacity to provide services at the same standard. That is the principle and there are a range of formulae that go to ensuring as much as possible that that principle is implemented.

States have different capacities to raise revenue and different spending needs and obviously people also have different ideas about what is a need and what is a bit of vote-buying profligacy. For example, of course, Western Australia has a relatively large capacity to raise revenue from the mining industry compared with Tasmania. A state with a young population needs to spend more on primary education; states with older populations may need to spend more on health services. So, to provide states with
equal capacity to provide services, states with below average revenue-raising capacity or above average spending needs receive a larger share. The commission needs to take account of factors that a state cannot control. When you start to look at the complexities of it and the attempts of the commission to make its assessment of revenue-raising capacity and spending needs so-called policy neutral, it is a fairly difficult task. The commission also has to take into account revenue-raising efforts which compare each state’s actual revenue with its assessed capacity. The issue here is really to try to make sure that, when we are talking about the Commonwealth Grants Commission formulae and the various relativities, it is not some nice simple measurement of total number of population equals X number of dollars per head and we all should get that mix.

The Northern Territory of course gets a significant amount extra per head because of a variety of factors, not least distance. Frankly, I think each state including my own state of Queensland could make a very strong case for all those different issues and criteria that come to implementing the formula that could be just as credible. If you look at, frankly, the pretty lamentable record of the New South Wales government when it comes to basic infrastructure and even getting that to work properly then I do not think really they can suggest that somehow or other they are making full value of the dollars they get. In saying that, I do not suggest the Queensland state government have a perfect record by any means but I do think that, when we have these debates, we need to recognise the need for them to be based on facts, substance and information rather than just blithe jingoistic parochialism. Wasting money, as state governments have done, buying big newspaper advertisements trying to promote their case is hardly the way to go. It is not going to influence the commission and it is not going to influence an informed debate. Certainly, from my point of view, I think Queensland very much has a case for saying that it is not getting any less than it should be. (Time expired)

Senator IAN MACDONALD (Queensland) (6.07 pm)—Unlike Senator Bartlett, who has given a very statesmanlike and learned address on the report on state revenue-sharing relativities, I intend to be a bit parochial. I have to say that the relativities, whilst they do not unfairly favour Queensland, do result in Queensland getting a substantially beneficial share of the Commonwealth revenue. Of course, Queensland gets it under the formula as it is, and I think that the formula is still appropriate. I have been very conscious, particularly in the time I was Minister for Regional Services, Territories and Local Government, that some of the states, particularly the old rust bucket states of New South Wales, Victoria and South Australia, always complain about how much Queensland and Western Australia receive from these grants. But Queensland is a very decentralised state and it does have difficulties with infrastructure that perhaps other states such as New South Wales, Victoria and South Australia do not have.

Senator Marshall—And Tasmania?

Senator IAN MACDONALD—I dare not say Tasmania with a Tasmanian in the chair and two other Tasmanians sitting around me! Although, perhaps I will take Senator Marshall’s interjection and include Tasmania in that. Whilst Queensland has not done better than it should, it has done pretty well out of the relativities.

One of the things that I am continually distressed about is that, with the huge amounts of money coming in from the Commonwealth through the financial assistance grants and the GST—which is based on the same sort of formula—Queensland
still has enormously high taxes, particularly in the area of stamp duty and payroll tax. Senators will recall that, when we introduced the GST, there were all sorts of commitments, although never real commitments, from all of the Labor state premiers that, once they got their hands on every single cent of the GST—which, as we know, they have—they would address the state taxes that have really inhibited business growth and employment creation. Foremost amongst those was payroll tax. Some of the states have made some attempts to reduce taxes, but Queensland is one of the worst when it comes to the taxes that it continues to collect in spite of the fact that it is getting enormous revenues from the GST and the financial assistance grants delivered by the Commonwealth Grants Commission.

The Queensland government has criminally wasted money that has come to it and it has continued to accept more and more revenue from its own sources as a result of the property boom over the last few years. What has it done with its money? It certainly has not spent it on infrastructure. Most of the roads infrastructure in Queensland, be it at the local government level, national highway level or roads of national significance level, comes from the Commonwealth government. The contribution of the Queensland government is very small by comparison.

The Queensland government certainly has not been putting the money into health infrastructure. The health system in Queensland, once the envy of every state of Australia, is now a basket case. It is an absolute tragedy. Money has not been put into it where it counts. Certainly, there are an enormous number of spin doctors employed in the health system, as well as everywhere else in the government. There are a hell of a lot of pen pushers—people who fill in reports and do surveys and questionnaires. But the contribution to the medical staff, the doctors and nurses who actually do the work of looking after the health of Queenslanders, has been almost pitiful. Then there was the scandal of the Dr Death saga, when Dr Death was going to come back into Queensland to face the music. But he would have arrived in the middle of the election campaign, so what did Mr Beattie say? That he did not want him back. This is the sort of rubbish you have in Queensland. (Time expired)

Question agreed to.

Western Australian Fisheries Joint Authority

Debate resumed from 19 October, on motion by Senator Ian Macdonald:

That the Senate take note of the document.

Senator IAN MACDONALD (Queensland) (6.12 pm)—I want to draw attention to the report of the Western Australian Fisheries Joint Authority. The joint authority looks after certain Western Australian fisheries. Most of the fisheries in Western Australia are actually run by the Western Australian state government, but some of the fisheries that are listed in this report, the shark fishery and some others, are run by the joint authority. Whilst it is a joint authority at law, and whilst as the then Minister for Fisheries, Forestry and Conservation I did sign minutes and make some decisions, the actual day-to-day management of the authority is done by the Western Australian state government through their Department of Fisheries. They do not do a bad job.

It is a fishery which has become prominent over the years because of the incursions of illegal Indonesian fishermen. It is a fairly remote area, where it has been difficult to address the illegal incursions. One reason for that, of course, is that the Indonesian fishermen have been coming down to those areas for tens of thousands of years. In those days, of course, modern surveillance did not pick that up; whereas nowadays, the minute any-
one comes into our waters, they are seen by one or other of the forms of surveillance that the Australian government has wisely implemented over the last several years.

The management of the fishery there and the problem of illegal fishing, I have said often and will repeat, will only be properly addressed when the Indonesian government are encouraged to become involved. Again, as I have said many times in this chamber, the Indonesian government do want to become involved, not so much because what happens in the fishery is of great concern to them—they have a lot of other problems in their country—but because they know it is an irritation to Australia and they want to be good neighbours and want to address that.

I am delighted to see that the Indonesian fisheries minister, Rear Admiral Freddy Numberi, is visiting Australia—this week or next week, I think—to see my successor, Senator Abetz, in a joint meeting with fisheries areas. These days, of course, I am not privileged to know what is on the agenda, but I certainly hope that it is a continuation of the agenda that I started with the Indonesian minister this time last year, because we do need to ensure that we work together on those areas.

Management of that area is very difficult. It is made more difficult in the case of the Western Australian fishery by the quite un-Australian and quite criminal reporting of the West Australian, and a particular journalist—Regina Titelius, I think it was. This is a journalist who has no professional standing at all and who, in the time of a secret operation, continued to report it, contrary to Australia’s interests. I will not go into the details of it, but it distresses me that journalists, thinking that they are getting a scoop, would do so in contravention of Australia’s interests. I have nothing but contempt and condemnation for journalists like this particular journalist and the West Australian for the way they continued to do that contrary to Australia’s interests.

This fishery does require management. It requires good, on-the-ground work by the Western Australian government. As I said, to a degree they have discharged those measures well, although they seem to think that enforcement of compliance is not a matter for them, even though they are the day-to-day managers; but, nevertheless, by and large the fishery has worked well and I commend this report to the chamber.

Senator WEBBER (Western Australia) (6.18 pm)—It will come as no surprise that, as someone from Western Australia, I also rise briefly to take note of this report and talk about the state of the fishing industry in my home state. I do promise it will be a brief contribution, after a very long week. Recently, I had the honour of attending the WA Fishing Industry Council’s annual dinner and awards presentation. They recognised significant contributors to the WA fishing industry in the various roles of promoting research, the fisherman of the year and all sorts of things. One of the people who got an award for their work was the journalist that Senator Ian Macdonald referred to from the West Australian. She was acknowledged by WAFIC as having made an outstanding contribution.

When Regina got up to accept her award she revealed to all of us that she had actually left the West Australian and was now working as the press secretary to Senator Ian Campbell. So it would seem that she has been won over by some members of the government, if not all. I am sure she will continue to do good work for the plight of the Western Australian fishing industry in that capacity, but she obviously also has some other duties now. I am told she is working as hard as she can to promote the profile of
Senator Campbell. So it seems she has the confidence of some members of the government, particularly some cabinet ministers. WAFIC was very pleased to acknowledge her work with the *West Australian* in covering the issues that particularly affected the Western Australian fishing industry.

Another award on the night went to some of the fishing community in the Kimberley, up in the north-west, for the work they have done not only with the *West Australian* but by themselves in bringing to everyone’s attention the difficulties that illegal fishing and poaching is placing on them in terms of the future of their own fishery and their safety when they are out there trying to earn a livelihood. They certainly, in accepting that award, particularly acknowledged Regina’s fine work with the *West Australian*. With that, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Great Barrier Reef Marine Park Authority**

Debate resumed from 19 October, on motion by [Senator George Campbell](https://www.parliament.gov.au/Senate/ParliamentaryBusiness/Committees/): 

That the Senate take note of the document.

[Senator BARTLETT](https://www.parliament.gov.au/Senate/ParliamentaryBusiness/MemberProfiles) (Queensland) (6.22 pm)—I would like to speak briefly to the annual report of the Great Barrier Reef Marine Park Authority. As I am sure all senators in this place would acknowledge, I endeavour to be fair and balanced whenever possible and try to give credit when credit is due. I have a number of times stated that one of the most significant achievements of the Howard government in the environmental area has been their rezoning of the Great Barrier Reef Marine Park, significantly increasing the amount of the park that is fully protected. I have repeatedly, nonetheless, followed that up with the comment that, if you are going to dramatically increase the amount of protected area in the park, the amount of area where you have to either keep people out or keep an eye on what people are doing when they are in there—as was appropriately done; a science-based decision was made after an extraordinary amount of consultation, which naturally did not make everybody happy, but it was certainly very extensive consultation—then it helps to actually increase the resources available for doing that.

I think the federal government really does need to look at providing some extra resources for the Great Barrier Reef Marine Park Authority. I know, and I think it is an appropriate criticism to make, that the Queensland government does not provide terribly much at all in this area, but of course it would say that the vast majority of the marine park is in Commonwealth waters. The marine park provides immense value to Queensland, both for its economy and employment and also for its reputation, its culture and the way people perceive Queensland. Indeed, it now has a reputation as almost a mecca for many marine scientists around the world, who come to Townsville in particular because of the significant research that occurs in Townsville based around the marine park. Australia and Queensland are world leaders in reef research because of the Great Barrier Reef and because it is adequately or sufficiently well managed by the marine park authority. It provides immense benefits—economic, environmental, educational and, one might say, spiritual and cultural as well—to Queensland and to Australia and we really should be investing a lot more in protecting that asset. A good action by the federal government is at risk of not getting full value unless there is sufficient put in there to enable proper management.

The only other comment I would make would be that, as a consequence of the rezoning, there was quite a significant review done into the marine park authority, widely perceived by many people to be payback for
those who were unhappy with what the rezoning produced. I was quite astonished to see at least one or two coalition senators from Queensland, and I think one or two from the lower house, actually suggesting that it would be better if the marine park authority was removed from Queensland and from Townsville and centralised in Canberra. If I can be parochial for a second, it is not very often that Queenslanders say we should take something away from Queensland and send it down to Canberra to be run from there—certainly not something as important as the marine park authority. I was very pleased, though, to see that wisdom prevailed within the government, in Minister Campbell’s department, no doubt with wise urging from others in the coalition, and that that did not happen.

Indeed, I would have to say that, at least on the initial circumstances, the review that was finalised was a fairly positive one. But there are still a lot of details about how it will be implemented, and that is something that certainly needs to be watched closely. I was pleased to see that the authority’s ability to manage such a unique and priceless resource and asset is not going to be significantly compromised, at least as far as we can tell at the moment. But I would repeat my plea to really make it able to do its job as well as possible. Further resources from the federal government and state government would be desirable. The tourist industry kicks in some money, and it would be good to explore ways other people who use the marine park could provide some resourcing as well. I do not have time to expand further on that at the moment.

Senator IAN MACDONALD (Queensland) (6.25 pm)—I concur with the remarks of Senator Bartlett in relation to the Great Barrier Reef Marine Park Authority. It is a very professional organisation and has that capacity, I suggest, because of the great work that the CEO and chairman of the board, Virginia Chadwick, puts into the management and direction of the marine park. John Tanzer, the executive director, is the head of the authority beneath Virginia Chadwick, and both of them do a fabulous job of looking after one of the eight wonders of the world, a reef area and marine park that brings billions of dollars to Australia in tourism and in other ways each year.

The Great Barrier Reef Marine Park is a multiuse park. It is not just locked away and preserved; it is used by fishermen, it is used by the tourism industry and it is used by the fishing industry. With all of those uses I think the authority has demonstrated that you can have multiple users in a marine park and still protect the very sensitive ecosystem and the very sensitive conservation and environmental outcomes for the Barrier Reef and the marine park surrounding it.

The authority was involved in some controversy at the time of rezoning, when the protected areas went up from less than about five per cent to what was going to be around 22 per cent but ended up at 33 per cent. It was a great environmental outcome, but in doing that it did cause a deal of financial hurt to the fishing industry and the fishermen were naturally very upset with it. There was, I have to say, even from my own point of view, some inflexibility in some of the officers of the authority. Had they drawn the boundaries in a slightly different way, they could have got as good an environmental outcome without causing the damage that they did to the fishing industry at the time. But by and large the marine park—based in my hometown, or the place where I have my electorate office, of Townsville—is a great asset to Australia and certainly to the community.

Senator Bartlett is right: some people were saying we should shut it down and bring it...
under the direct control of the Minister for the Environment and Heritage. They think that is a good idea when we have a good minister there, but I always warn those people that one day—it will be a long way away, but one day—we will have a Labor minister back, and I would hate to be in a situation where a Labor minister was directing the marine park.

Debate (on motion by Senator McLucas) adjourned.

The ACTING DEPUTY PRESIDENT (Senator Barnett)—The time allowed for the consideration of government documents has expired.

Senator Watson—Mr Acting Deputy President, I seek clarification on a point. According to the red, the time limit for consideration of government documents is one hour, finishing not later than seven o’clock. I thought the last debate finished at six o’clock, so we have only had half an hour.

The ACTING DEPUTY PRESIDENT—Yes, that is right, Senator Watson. We actually started general business, which includes consideration of government documents, at 3.59 pm, so the time allocation is correct. We have now concluded the time limit of 2½ hours for this item.

Consideration

The following orders of the day relating to government documents were considered:

Torres Strait Regional Authority—Report for 2004-05. Motion of Senator Bartlett to take note of document agreed to. Debate adjourned till Thursday at general business, Senator Ian Macdonald in continuation.

Aboriginal and Torres Strait Islander Social Justice Commissioner—Social justice—Report for 2005. Motion of Senator Crossin to take note of document called on. On the motion of Senator Marshall debate was adjourned till Thursday at general business.


Australia-Indonesia Institute—Report for 2004-05. Motion of Senator Stott Despoja to take note of document called on. On the motion of Senator Marshall debate was adjourned till Thursday at general business.


Northern Territory Fisheries Joint Authority—Report for 2004-05. Motion of Senator Siewert to take note of document agreed to.

Australian National University—Report for 2005. Motion of Senator Kirk to take note of document agreed to.

Aboriginal and Torres Strait Islander Commission—Report for the period 1 July 2004 to 23 March 2005. Motion of Senator Bartlett to take note of document agreed to.


Migration Act 1958—Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 March to 30 June 2006. Motion of Senator Bartlett to take note of document agreed to.

Medibank Private Limited—Report for 2005-06. Motion of Senator Carol Brown to take note of document called on. On the motion of Senator Marshall debate was adjourned till Thursday at general business.

Australian War Memorial—Report for 2005-06. Motion of Senator Carol Brown to take note of document agreed to.

Australian Electoral Commission—Report for 2005-06. Motion of Senator Carol Brown to take note of document called on. On the motion of Senator Marshall debate was adjourned till Thursday at general business.

Federal Police Disciplinary Tribunal—Report for 2005-06. Motion of Senator Parry to take note of document agreed to.

Reserve Bank of Australia—Equity and diversity—Report for 2005-06. Motion of Senator Carol Brown to take note of document agreed to.

CrimTrac Agency—Report for 2005-06. Motion of Senator Carol Brown to take note of document called on. On the motion of Senator Ian Macdonald debate was adjourned till Thursday at general business.

Customs Act 1901—Conduct of customs officers [Managed deliveries]—Report for 2005-06. Motion of Senator Carol Brown to take note of document agreed to.


Film Australia Limited—Report for 2005-06. Motion of Senator Bartlett to take note of document agreed to.

COMMITTEES

Community Affairs Committee

Report

Debate resumed from 19 October, on motion by Senator Scullion:

That the Senate take note of the report.

Senator FERRIS (South Australia) (6.31 pm)—I rise to speak on the Community Affairs Committee report Breaking the silence: a national voice for gynaecological cancers. Gynaecological cancers are not very often spoken about in the community, and those several hundred women each year who are diagnosed are often not able to find the support that they need. Some women say that when speaking of gynaecological cancers they have feelings of guilt, of shame and of embarrassment. As a result, the journey for gynaecological cancer sufferers is taken in a very painful silence. The symptoms are vague. This report outlines the cases of many women who courageously came and gave evidence to our committee and talked of their own experiences with various gynaecological cancers and in particular of the difficulties that they found because there was no national centre that they could go to for advice, comfort or support in their journey.

Today, 22 women—colleagues of mine in this place, including my colleague and friend Senator Fiona Nash and my colleagues across the chamber Senator Jan McLucas and Senator Ruth Webber—signed a letter to the Minister for Health and Ageing, Tony Abbott, asking him to find a way to review the decision that was taken and announced
today related to the use of Gardasil, the cervical cancer vaccine. It is very interesting that, once again, the women in this chamber have come together, as they have a number of times in the recent past, to argue for women’s issues which go beyond party politics. It is a credit to all women in this chamber that they see these issues as not being issues related to a single political party but being issues that are related to all women of all ages across Australia. This cervical cancer vaccine issue affects all women of all ages.

Nobel Prize winner Professor Ian Frazer and his team have developed this vaccine, which is found to be 100 per cent effective in protecting women from infection from the four strains of the human papilloma virus, which together now cause 70 per cent of all cervical cancers. These are particularly nasty cancers, and the statistics are very frightening. Some of the statistics that were reported to the committee and are represented in our report show that, in 2001, 1,537 women were diagnosed with uterine cancer and 735 women were diagnosed with cervical cancer. That number has increased a little because of the ageing of the population and also the fact that that statistic is now five years old. But there is no doubt—that this particular cancer can become part of the history of terrible diseases that have befallen women in the past. This statistic can go gradually down to a very small number with the use of the vaccine Gardasil. It is very important that we look at ways in which this vaccine can be made available more quickly. I was particularly reassured to hear the Prime Minister say that it is not ‘if’ but ‘when’ this vaccine will become available. That is wonderfully reassuring, but what I want to see is that ‘when’ to be as quickly as possible: not next March and not 2008.

The provision of high-quality treatment for women with cancer, whether it is cervical cancer, ovarian cancer, vulval cancer or any of the other gynaecological cancers, is a critical element in improving health outcomes for women with these forms of cancer. Evidence showed that access to treatment was not equal across the community. Our report shows that a disproportionate number of women from rural, regional and remote areas, Indigenous populations and culturally diverse populations generally had very limited access to the services that they needed, whether it was for the initial diagnosis, for the surgery, for the post-operative treatment or for the psychosocial support. It is difficult for those women in all of those areas.

We concluded unanimously—again, across parties, all women on that committee, and Senator Gary Humphries, the chair of the committee—that there is value in bringing people together to strengthen the understanding of gynae cancer issues at the political and policy level and to provide many of the answers that are needed to lessen the impact of these cancers on women and their families. The committee found, and it is reflected in the report, that there should be increased and better coordinated funding to drive new developments in gynaecological oncology and to make more effective use of Australia’s talented researchers and investigators, the priority being given to a screening test for ovarian cancer to enable earlier identification of the disease and successful treatment, hopefully lowering those awful statistics that we heard about in evidence.

The principal recommendation from the committee, reported in the report we are discussing tonight, was for funding for $1 million to establish a national gynaecological cancer centre where we can coordinate, under the banner of the new organisation, Cancer Australia, to form a focus, a framework, for women and their families to have direct access to information on gynaecological cancer, so that when they are diagnosed with
ovarian cancer and they type 'ovarian cancer' into the search networks on the internet they are not taken to websites in the United States and they are not directed to the Breast Cancer Centre. If you go through the Breast Cancer Centre's website, you will find some material on ovarian cancer but not on the other cancers. What we want is our own national support group so that not only the women but also their families, their children, the doctors who first diagnosed them, the subsequent surgeons and the wonderful specialists who take care of them can be directed to a source of information.

The My Journey Kit has helped so many women with breast cancer in this country to know where they are going to go; what is going to happen to them; and how, luckily, they are in the statistical group in which more than 80 per cent will be cured. With gynaecological cancers those figures are lower, but, if we are able to get the survivors of these cancers to present My Journey Kits to people who are early diagnosis patients, we can give them the support, the psychosocial underpinning, if you like, that they need. They can then face their journey in the confidence that there are people who have survived these cancers, and can be willing to take part with a helping organisation, as you do, Mr Acting Deputy President Barnett, with the diabetes foundation. We can take part, as survivors, in helping newly diagnosed patients to know that there is a future and that, in that future, there may well be some early test available for the awful gynaecological cancer of ovarian cancer. Together with Gardasil, we will start to reduce the numbers and the awful statistics that apply to women in this country who have gynaecological cancers.

Senator WEBBER (Western Australia) (6.39 pm)—I too rise to take note of the report Breaking the silence: a national voice for gynaecological cancers. As I said at the tabling of the report, some time back, the committee heard a lot of very personal and painful evidence from women who have been afflicted with these devastating cancers. We need to place on record yet again not only our thanks to them but also our thanks to all the members of the committee, the secretariat, the researchers who appeared before us and, particularly, Senator Ferris for sharing some pretty painful and personal stories and for being such a passionate advocate to try to ensure that no-one has to travel the journey that she has.

It is not often in this place that we come up with a unanimous report, but we did in this case. With a lot of health issues—and perhaps it is when women in this place get together—we tend to come up with a unanimous view on the way forward. Perhaps that is something that the male members of this chamber might like to consider. It has been an interesting week in terms of what happens when women work together in this chamber. Today, we got together in response to a somewhat surprising decision from the government, from the minister, about endorsing the PBAC decision to not subsidise the use of Gardasil. As I said during question time to Senator Santoro, whilst we will always respect the role of experts in evaluating which drugs or vaccines should be used, it is not that committee that makes the final decision. They make the recommendation; it is the minister and the cabinet that make the final decision, and they should never, ever try to hide behind the experts. If they are going to make the decision, they should accept full responsibility for that decision.

Not only were Professor Ian Frazer and all of us in this place a little stunned by the decision but a lot of women in the community were as well. There has been quite an outpouring of reaction. It would seem that the Pharmaceutical Benefits Advisory Committee made the decision because, they say, the
vaccine program, which would have cost about $625 million over the first four years, was not value for money. I did not realise that the expert advisory committee was there to advise on value for money; I thought it was there to advise on the safety, efficacy and appropriateness of drugs and vaccines. I did not think it was their role to be economists and work out what was or what was not value for money. I thought that was the role of other advisers and, in the end, the minister and cabinet. So I question how they could arrive at that view, particularly as it is known, and Professor Ian Frazer and others have said, that there is absolutely no dispute that Gardasil works.

For the government, the minister, the cabinet and even the PBAC to knock it back on the basis that it is going to cost too much seems amazing. As even Senator Humphries, the chair of the inquiry, said on radio this morning, what cost do you put on a life? That really is what you have to weigh up when you are looking at a screening program for one of the most devastating cancers that can affect young women in our community. When we were discussing this earlier today, Senator Santoro went on to talk about the words of encouragement of the shadow minister for health, Ms Gillard, about the role of the PBAC. And she is right: it is the role of that expert advisory group to advise us on which drugs are appropriate and when. But it is never their job to consider price. I would have thought it is their job to consider value and it is then up to the government to consider and look at price. It is not up to the PBAC. It is up to them to consider the value of the medical treatment, but not whether it is value for money.

In the public debate that has surrounded the need, in my view, for Gardasil to be put on the PBS and for the screening program to commence as soon as possible, one of the things that have really concerned me has been some comments I read in the press earlier today from the Minister for Health and Ageing, Mr Abbott, when he was defending the government’s decision to just accept the PBAC recommendation. He said he was going to work very hard on trying to make sure it was all fixed up for the next round in March. But, according to press reports, when he was asked whether he would have his three daughters vaccinated with the new breakthrough drug—the drug that it is admitted there are no problems with: it is absolutely successful and will not harm your health—he went on to say:

I won’t be rushing out to get my daughters vaccinated, maybe that’s because I’m a cruel, callow, callous, heartless bastard but, look, I won’t be.

I find that absolutely astounding. It is an absolutely shame that the father of three daughters could say that—and not just as a father but as an opinion leader in our community and a key decision maker. Every now and then we have to lead by example. We have to say that we are going to put our personal morality a little to one side and look after the health of our loved ones. How could you, for whatever reason, decide that you would not spend the money? Even if this vaccine does not get listed on the PBS so that the screening program can take place in 2008, how could you, as a cabinet minister, say that you will not come up with the money to look after the health and safety of your daughters? That is a callous decision.

We have all championed far and wide the enormous contribution that Professor Frazer, the Australian of the Year, has made to the scientific and medical community, not only in this country but worldwide. He is someone we are all very proud of, someone who has chosen to make Australia his home so that he can continue with his endeavours. So I find it absolutely incredible that the minister can on the one hand champion Professor Frazer’s scientific work and on the other
hand say that he will not use that pioneering research to look after the health and safety of his own children. I find that absolutely amazing.

Some of the other commentary on this issue has included, as Senator Ferris has said, the Prime Minister saying that he is confident that these issues will be addressed, that Gardasil will be listed and will be available for the screening program to take place in 2008. I am heartened by that. I would much rather that we acted a bit more promptly. Perhaps the screening program could have been well and truly in place if the government had accepted to accept the advice that the PBAC gave them but then said that they were not going to implement it and that it should be looked at again. Much is made of leaving these issues to experts, and it is very important to get expert advice. But if the minister were to intervene in this case it would not be the first time that there was such an intervention. I am sure we all remember the intervention after the public concern about the meningococcal C vaccine. That was political intervention—sensible and sensitive political intervention—to look after very young children. Surely young women in our community deserve the same intervention. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Employment, Workplace Relations and Education Committee
Report

Debate resumed from 19 October, on motion by Senator Troeth:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (6.49 pm)—I have spoken previously on this report, Perspectives on the future of the harvest labour force, by the Senate Standing Committee on Employment, Workplace Relations and Education and I want to make some further comments on the potential future of a harvest labour force in Australia. This is quite an important report, albeit one that I personally found a little disappointing. I was disappointed I was not able to participate more fully in the inquiry for a few different reasons I will not go into, apart from work-load. I was also disappointed that it was not a more conclusive report—but, having said that, it is more conclusive than it probably appears on first reading. It is a rare report that does not make any recommendations, but if you read into the detail of this report it certainly does make suggestions, inferences and urgings of varying degrees of strength.

The main issue involved here is whether or not Australia should consider allowing what are often termed guest workers—I am not sure that is a terribly helpful term—or temporary, unskilled workers from the Pacific islands to come here to do seasonal work, particularly fruit picking and other agriculture related activities. There are differing views, and the inquiry found it difficult to nail down precisely how great the labour market shortages are in these particular industries. I do not think there is much doubt that they exist and that they have an impact on the ability of growers in particular and others in seasonal industries to maximise the value of their crop and their resource. That is a negative not only for them, of course, but for the entire economy of their region and of the country as a whole. So it is in our interests to ensure we have labour available for seasonal work that needs to be done straightaway in order to get the maximum economic outcome and the flow-on effects for the wider community.

I should say that I do not think the only reason it is hard to find labour for some of those seasonal work tasks is purely that people are not available in Australia to do it. There are certainly people who are long-term unemployed who have difficulty getting un-
skilled work. There is also a very real issue of infrastructure, particularly housing. I cannot speak as knowledgeably about other states but I do know that in parts of my own state of Queensland there are people who are prepared to go and do the work but there is nowhere adequate for them to live whilst they are doing that work. That is a significant problem, and it is not going to be overcome if you import people from the Pacific islands or anywhere else—they are still going to need decent accommodation. That issue is touched on a bit in the report, but I want to emphasise that it is not just a matter of scooping up a group of people and dropping them in where the work needs to be done and it will all magically get done. There is infrastructure, particularly housing but also other social infrastructure, required as well—and because the work is seasonal that creates an extra problem.

The members of the committee were reasonably frank about saying that other political issues at the moment, particularly the controversy over the 457 temporary skilled worker visas and over the workplace laws changes, and looming elections and all those sorts of things made it a bit difficult to be definitive in this area. I think they deserve some credit for being somewhat up-front about that. But they also indicated that in not coming to a recommendation they were certainly not suggesting that we should just dismiss the idea. I think there was a very clear indication from the committee that the idea was worthy of further exploration, that it was likely to still be needed, that it was not likely to be a temporary problem that will go away and that it would need further consideration. I urge the government and the relevant ministers, in particular the immigration and employment ministers, to consider this report more fully. I urge other senators as well, because I think it is an issue that needs to be grappled with.

I would have liked to go further and, as you know, Mr Acting Deputy President Barnett, I agreed with your additional comments. You quite wisely said that the time is right and the evidence is sufficient to give it a trial in a particular region and see how it goes. There are examples we can draw on—and the report does this—of other countries that have similar programs. Canada in particular was touched on, and I think the evidence shows that that works fairly well.

I know from the immigration side of things, where I have got more expertise, there is always what I would call a paranoia about people coming into this country and not leaving. That is a valid concern, and some—not all, but some—of the Pacific island nations that we would potentially draw seasonal workers from do have a higher proportion of overstayers. But I do not think we can turn away from the potential economic benefit for our country. There is also a clear economic benefit for some of those Pacific island countries, and that is important both for them and for our nation’s wider relationships with them. I do not think we can turn away from that purely because a few people might overstay. The Canadian experience has shown that overstaying is not a significant problem if you structure the visa appropriately. There is a very strong incentive to go home again so you can come back again and get further work.

I appreciate there are always difficulties and administrative problems. As senators probably know, literally millions of people enter this country each year. We now have close to half a million come in on various forms of temporary or permanent residency visas, as well as millions who come in on tourist visas, visitor visas and others. So the only way to solve the problem of overstaying is to stop people coming in, and clearly that is ludicrous and very much against our own interests. So you should take all steps to
minimise overstaying and other issues like illegal working, but you certainly should not respond to that by stopping people coming altogether.

For me, the most compelling argument—and this is the core reason why I think we should progress with this—for exploring immediately and moving immediately towards trialling Pacific island labour is the reality of what we already do. We already have a working holiday visa program which is growing enormously each year. It is now taking in nearly 110,000 people a year. It is the program in which people can come here, as the visa says, and work, including in seasonal industries. They also go off and have some holidays. If they do enough work in that period then, depending on which country they are from, they can stay a second year. We have had over 100,000 for at least two years in a row, and it is projected to continue to increase. They come predominantly from Europe, North America and Japan.

That program, and particularly so when the number of places was increased most recently by the minister, was actively marketed as a solution to the problem of seasonal labour. And it certainly is part of the solution. But that is a group of people—over 100,000—who are coming here, as the visa says, partly to have a holiday. They can come here and do a bit of work, and if it is a bit of a pain in the neck and they do not need any more money or if they hook up with somebody then they can go. It is not exactly the most reliable labour force for people. Compare that to people who are brought in on a visa that is specifically to do work in a certain area for a certain period of time on a specific task; I would suggest that is much more manageable and much more likely to result in fewer administrative problems and less overstaying and those sorts of things than with people who just come in and who can basically come and go as they please.

We cannot underestimate the reality, and I think it is quite a reasonable perception, frankly, from people in Pacific island countries who know that we are bringing in 100,000 and more people from western Europe and North America to do precisely this sort of work and have a holiday while they are here but we will not let people from the Pacific islands in to do it. I am not surprised that some of them get a bit offended about that and ask: ‘Why not us? Why can’t we come in and do this work? Why are you letting other people come in from western Europe and North America to do it?’

That is the clearest argument. We already have people coming here on temporary visas to do this. Let us do it in a more organised and focused way, and let us do it with people from our own region. It would benefit our networks with our region. It would benefit relations in our own region. It would benefit the economies of those nations in our own region who very much need that help. I am not saying it is the panacea; I am not saying it is going to make everything perfect for those nations either, but it is a positive step forward and I think with the right protections it could be done. I strongly urge the federal government to take up your suggestion, Mr Acting Deputy President Barnett.

Question agreed to.

**Foreign Affairs, Defence and Trade Committee Report**

Debate resumed from 19 October, on motion by Senator Johnston:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (6.59 pm)—This report is the first progress report from the Senate Standing Committee on Foreign Affairs, Defence and Trade regarding reforms to Australia’s military justice system. I was a member of the references committee when it first did its I think very influ-
ential inquiry into Australia’s military justice system. It was a unanimous report. It was a good example of the committee process working very well and a good mechanism that allowed a lot of Australians with a lot of frustration, anger and hurt to have their voices heard.

To the credit of the government and former Minister Hill it was one of those, unfortunately rather rare, occasions where the government responded quite quickly. Its response was not as positive in terms of agreeing with all of the recommendations as the committee would have liked, I think, but it was good to see that at least there was a considered and prompt response that led to change.

This report following on from that is a progress report on those reforms. I did not participate in that. I am afraid my overall workload was too large to be able to follow it as closely as I would have liked. But that should not in any way reflect on my interest in this issue or indeed my belief about its importance. I do think it is an issue that merits continuing attention and I am very pleased to see the committee continuing to provide that attention.

One problem, a very big one, with our Senate committee system is that many times governments do not respond very promptly or adequately. Another one which I think we all have to bear some responsibility for is that oftentimes there will be a lot of work, thought and effort put in by the community as well as us in producing a report and not only will the government forget about it but a lot of times senators as well will forget about it because we are immediately on to the next inquiry and charging around looking at that. Sometimes I feel there is not enough follow-up to see not just what the government has done about a report but where the issue is flowing. That is why it is particularly welcome to see the committee continuing to maintain an active interest in this very important area.

I have said a number of times that I think one of the biggest barriers to our continuing ability to meet recruitment and retention targets in the Australian Defence Force is the way we treat people when they are in it and when they leave, particularly if they leave because of injury or being wounded—I do not just mean wounded in battle but injured in the course of their duty in general, in vehicle accidents and those sorts of things. These things happen, particularly in the Defence Force. It is not just going to war that is dangerous; the training can be dangerous, and people get injured.

All of us, I am sure, would be aware of the significant dissatisfaction of some people who have had negative experiences within the military, whether it is physical injury, mental health issues or other problems, and do not feel they have got a fair deal—or been treated with respect, apart from anything else. That goes more widely than just the military justice system. It goes particularly to the compensation system, which is outside the scope of this particular report.

I recognise that you can never make everybody happy. But I think we are falling well short of where we should be, particularly in the respect with which we treat people. I get continual feedback, not just from the people concerned themselves but in many cases from their families, partners, parents, siblings or children who say that their loved one feels like they were just discarded as soon as they were causing any trouble—as soon as they were injured or there was a problem and they were out of the military, they were just discarded.

I am sure that is not the intent. I certainly have a lot of respect for the current head of the Defence Force, but I do think that it is
still a very real perception, and it is very damaging when you have not just the person involved but their family and friends going around saying: ‘The Defence Force are a pack of mongrels. Don’t go near them. The last thing you should do is join them; you’d be crazy.’ That is what I hear time and time again. That is a problem, and it is a problem for all of us, not just the people who have bad experiences.

The military justice system is one component of some of the bad experiences people have. It is not just the experience itself but the sense of injustice and unresolved grievance, the lack of recognition of the grievance and the sense basically of the deck being stacked against them when it comes to military justice that continues to suggest that, whilst reforms have been made, they do not go far enough. I think this first progress report reflects that concern I express.

I think it is appropriate to continually draw attention to this because it is a running sore. I appreciate that genuine efforts are being made to address this and make things better but I also think that objective, non-partisan assessments would say that there is still a way to go, not just in the military justice system but elsewhere. We have to be looking at treating people more as individuals. I think there is an understandable mindset occasionally in the military where people’s individuality is subsumed into the needs of the collective. I can understand that, given the nature of military life, but people are still individuals and they should still in some cases get treated with more respect and dignity when difficulties occur, whether they are with justice issues, health issues, injuries or other matters. I think we have a way to go in regard to that. I do congratulate the committee for its continuing interest in this matter. It is certainly one I will endeavour to maintain some interest in as well, if not as a direct participant on the committee.

**Senator SANDY MACDONALD** (New South Wales—Parliamentary Secretary to the Minister for Defence) (7.06 pm)—I will take the opportunity to make some comments on the military justice report implications. The government has accepted 30 of the 40 recommendations in whole, in part or in principle and advised alternative solutions to meet the outcomes of other recommendations. It took the recommendations of the Senate committee inquiry very seriously. As I say, it has advised alternative solutions to meet the outcomes of other recommendations, particularly concerning the referral of offences to civil authorities, the legislative basis of a permanent military court and the establishment of an Australian Defence Force administrative board.

Significant achievements have been made in the first 11 months of the two-year implementation period in reforming the military justice system to deliver impartial, rigorous and fair outcomes through enhanced oversight, greater transparency and improved timeliness. More than a quarter of the 40 recommendations from the Senate committee’s report have already been completed. A number of other recommendations are close to completion or underway, and overall implementation is on track.

These enhancements include the establishment of a number of statutory positions to further increase the impartiality of the prosecutorial trial and inquiry process, the establishment of the position of Director of Defence Counsel Services to improve the availability to ADF personnel of defence counsel services and the clearing of the backlog of the redress of grievance cases—there is no longer a backlog of cases, which caused undue pressure on the completion of the resolution system. The enhancements include the establishment of the Defence Fairness and Resolution Branch as the central management body outside of normal line man-
agement for managing all complaints and grievances. This was a central element in our approach to streamlining the management process in order to improve the timeliness and rigour in dealing with complaints and redress of grievance cases. The enhancements also include a review of the Defence Whistleblower Scheme, which indicated that the scheme accords with the Australia-New Zealand standard and was operating satisfactorily. Operation of the scheme is reported annually in the Defence annual report.

There has been an incorporation of amendments to the Defence (Inquiry) Regulations to provide for legal representation of affected persons at boards of inquiry, such that all persons appearing before an inquiry are treated fairly. There has been an incorporation of amendments to the Administrative Inquiries Manual with respect to the conduct of inquiries, completing five recommendations therein.

There has been an engagement of a child human rights expert to examine whether the human rights of children are being respected. There has been the provision of resources to the ADF Cadets to improve the rigour of cadet administration—and, as parliamentary secretary with responsibility for cadet policy, I am delighted with that initiative.

There has been the appointment of the initial Provost Marshal ADF, Colonel Tim Grutznzer AM, a first step in addressing the ADF’s investigative capability. There has been an incorporation of amendments to Defence (Inquiry) Regulations to provide for an annual report on the operation of the regulations. Additionally, six-monthly reports in April and in October to the Senate committee on the progress of the reforms throughout the two-year implementation period are being submitted—and this is what we are talking about in this interim administration report—as are reports on the state of health of the military justice system. That has been included in the 2005-06 Defence annual report and will be an ongoing element of the report. There have been a number of further recommendations. They are expected to be completed or significantly progressed by the end of this year.

The secretary and the CDF, together with the service chiefs, are committed to a fair and just military workplace, as is the government. They will personally drive the required changes and are reviewing progress on a monthly basis. Progress is also being reported six-monthly to the Senate Standing Committee on Foreign Affairs, Defence and Trade, and this is what this report is about. An initial report of progress was provided to the Senate committee in April, and a second report was provided in late October.

At the committee’s first public hearing on the progress in June, the Defence Force Ombudsman, Professor McMillan, noted a marked improvement in Defence’s overall handling of complaints and investigations, particularly in improving the timeliness in dealing with cases. Professor McMillan cited clearing the backlog of redress of grievance cases as a positive example of the determination of Defence’s senior leadership to improve the military justice system. Initial funding to implement the reforms has been agreed to by Defence and made available from current allocations.

The government takes the recommendations of the Senate Standing Committee on Foreign Affairs, Defence and Trade particularly seriously. The committee can take great pleasure from the fact that it has been instrumental in driving a change which was needed in this area. A focus on military justice was essential in terms of the provision of an appropriate workplace for and career management of Australian Defence Force personnel. The report to the Senate commit-
Chairman, on the ongoing management of the military justice changes is something that is very much in the interests of good government.

Debate (on motion by Senator McEwen) adjourned.

**Electoral Matters Committee Report**

Debate resumed from 19 October, on motion by Senator Carr:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (7.14 pm)—I rise to take note of the report of the Joint Standing Committee on Electoral Matters entitled *Funding and disclosure: inquiry into disclosure of donations to political parties and candidates*. In recent times we have seen, in my view, some quite disgraceful amendments to the Electoral Act to allow far larger anonymous donations to be given to political parties in Australia. When you add on the ability to donate to a political party in each of its different state based entities—each one can get a donation up to $10,000 without it needing to be declared—then we have $70,000 or $80,000 that can effectively be given to a political party from one donor without that donor being declared publicly.

It is a source of particular frustration to me as a Democrat because the Democrats, going back to the 1980s, really led the charge and were the pioneers who pushed for the initiation of a disclosure regime regarding political donations. I would like to take the opportunity to particularly acknowledge the role of the first Queensland Democrat senator, Michael Macklin, and his role on this particular committee in the mid-1980s in pushing for the introduction of a reasonable system of disclosure of political donations. That is not to say it was perfect, but it was certainly a significant initiative and was slowly improving and being refined as society and the nature of political donations and politics changed over time. So we have had a major backward step in Australia in recent times.

I was interested and indeed very pleased to see comments by the deputy Liberal Party leader in New South Wales, Barry O’Farrell, expressing concern about this very issue. It should be acknowledged that it is a difficult issue for political parties, particularly for larger political parties. I guess the Democrats have not usually had to worry about disclosing large political donations because we did not get very many.

I do not want to simply score cheap political points against the major parties; I appreciate that they are in competition with each other. Naturally they have the need to get money from wherever they can. Campaigns are becoming extraordinarily expensive, and political parties are not going to concede an advantage to each other—that is just human nature. It would not matter who you put in the positions in those political parties, that would still be the case. That is why you need strong laws. Otherwise, in such a competitive environment it is inevitable that the pressure for bigger and bigger donations and all of the sorts of dangers that go along with them will become greater.

It is for precisely those reasons that Mr O’Farrell—and people like him—felt he should make the comments he did. He can understand the danger that is there, and he recognises—I would assume from his comments, anyway; I do not seek to put words in his mouth—the danger to our democratic system and to the integrity of our democratic system from the way things are and from the way things are going. That would be the case regardless of which party is in government. It is not a party-political comment; it is a straightforward, clear-cut and factual analysis of human nature and the reality of it.

One could note the current controversy in Western Australia involving former Labor...
Premier Mr Burke and issues relating to donations involving council elections. We have controversies in Queensland about that as well, of course, most notably recently on the Gold Coast, just south of Brisbane. It is not something that applies just to major political parties, and it is not something that applies just at the federal level. It is an area in which we need to do a lot more. I think it is time that we seriously examined where to go with this issue.

My understanding is that some other jurisdictions—I heard the other day that Canada was one of them, but I have not had the opportunity to research the accuracy of what I was told—are moving to put in place fairly strict caps on the amount that a person can donate. There have been proposals such as spending limits. Of course there will always be enforceability issues with these sorts of moves, but I do not think difficulties with enforceability issues should be used as an excuse to not try to improve the situation that we have now.

The one positive thing you could say about the Australian electoral system and issues relating to corporate donations, union donations and the disclosure of donations is that we are nowhere near as bad as the United States these days. I have spoken to a number of people involved in politics in the United States, as I am sure everybody in this chamber has from time to time, and even just at the congressional level and with individual positions many of them would say that they have to spend half of their working time fundraising. The US is different; they do not have the same party system that we do. I guess that is at least one positive thing about the strong party system in Australia. I could say some negative things about it, but one positive thing about it is that it reduces the pressure and the temptation in respect of individuals. But it also means it can concentrate the temptation, and the risk of what can be bought with sizeable donations can actually become larger, if it can have a successful influence.

The need for improvements with regard to the funding of political parties and the transparency of political parties, including disclosure of donations to political parties, is becoming absolutely imperative. It is an issue that the Democrats have continued to give significant amounts of attention and time to, and we will continue to do that. But I do believe we need to recognise this imperative in the chamber, as practitioners of politics, and also in the wider community. I think there needs to be greater recognition of just how dangerous a problem this is and how it is getting worse rather than better. The changes to the Electoral Act earlier this year simply exacerbated the problem. The problem was already getting worse, in my view; it has now become much worse. It is not simply a problem with one political party; it is a problem with the political system and we need to do much more to act to remedy it before it becomes even worse. The worse it gets, the harder it will be to fix it.

Senator McEWEN (South Australia) (7.21 pm)—I rise to take note of the Joint Standing Committee on Electoral Matters report and seek leave to continue my remarks later.

Leave granted; debate adjourned.

Foreign Affairs, Defence and Trade Committee Report

Debate resumed from 19 October, on motion by Senator Hutchins:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (7.22 pm)—The report of the Senate Foreign Affairs, Defence and Trade References Committee entitled China's emergence: implications for Australia deals with the implica-
tions for Australia of the growing emergence and significance of China. It is a very vexed issue, I might say, and certainly not something that can be encapsulated in a 10-minute speech. It is hard enough to encapsulate it in a Senate committee report, and I do congratulate the committee for their work in putting it together.

I want to take the opportunity that this report provides to reinforce concerns I have expressed publicly a number of times, particularly on the issue of human rights abuses in China. It is very easy to get up on a pedestal and take the high moral ground and sound sanctimonious about human rights abuses in a particular country; people can always point to failings in their own country and problems with a range of other countries. There is no doubt that simple common sense, let alone real politics, coupled with the growing economic and political clout of China and the regional significance of China in our own part of the world mean that you cannot just blithely ignore these things whilst exploring how to deal with problems of human rights abuses.

There has been, of course, a very long association in Australia with people from China. There is at least some evidence that Chinese people were visiting northern Australia before European settlement in 1788, and certainly since the 1800s there has been a very significant Chinese presence in northern Australia and in other parts of the country. It is a source of some significant angst at some times in our nation’s history, partly to our shame. But it is a positive relationship in many ways and a very strong relationship. A huge number of people—a part of the Australian community—have links with China, both current and historic, and I for one certainly want to keep those as strong as possible and strengthen them. But, like any strong relationship, we do not strengthen it by turning a blind eye to significant problems. I just have to say that China’s human rights record is a significant problem.

As most senators here would probably be aware, a report was tabled recently that made very serious allegations about the practice of organ harvesting from within China. The report alleged that people’s organs were being taken from them following execution, particularly with regard to Falun Gong practitioners. That report has not been categorically verified, but I do not think it would be unreasonable to say that it has not been categorically disproved either. I note comments made by Mr Bowen in the other place last week with regard to this issue, and I would very much like to concur with those comments and associate myself with them. I believe that it is incumbent on the Chinese government to allow independent investigation of those claims.

One of the reasons why those claims cannot be categorically dismissed out of hand is that there are other things that we know are factually the case with regard to what happens in China at the moment. It is well recognised that China executes more people than every other country in the world put together, and that is even in terms of what is able to be verified. There is certainly some reasonably credible evidence that the number of executions is actually much larger than is commonly assumed. It is also beyond doubt that prisoners who have been subjected to the death penalty have their organs taken and used for transplants. It has also been pretty clearly verified that some of those transplants involve commercial transactions, with people coming from other countries to get transplants. I think that all of that is much more than just distasteful; it is very problematic.

Whilst different countries have different laws with regard to capital punishment and executions, and different countries have dif-
different laws with regard to commercialisation of organ donations and operations involving transplants, I think that, once you start connecting them together, you can get a very serious problem. If you add to that the pretty significant and verifiable problems with the adequacy of the justice system in China, I do not think it is particularly unreasonable for people to believe that the sorts of allegations that have been put forward have the potential to have merit and deserve to be properly and independently investigated. There is always a conundrum with regard to relations with other countries about what to do when there are significant problems with human rights abuses and how best to address them. I have been critical of the Australian government for being too soft with regard to the issue, but that does not mean that I think they should get out there with a megaphone. That could be equally counterproductive, if not more so. I recognise that it is a fine balancing act, but I think that we do need to look at ways to increase the pressure on China to improve its activities in this area.

We all know that the Olympics are going to Beijing in 2008 and, as part of assurances given to Beijing to be awarded the Olympics, there were some clear assurances given about improving the human rights situation in China. From what I see I am not overly convinced that there has been dramatic progress, and I think that until some of these issues and allegations are cleared up there really will have to be some question marks over the issue. I am not calling for a boycott of the Olympics—certainly not at this stage—but, frankly, I do think there is the potential for it to get to that stage, and I do think it has the potential to get to a circumstance where individual athletes may need to ask themselves some difficult questions. I do not say that lightly, because I know how hard our Olympic athletes work and I know that opportunities are quite rare to be part of the magic of an Olympic Games. But these are very serious human rights abuses in China, not just with regard to the organ-harvesting allegations, and I do not think we can rightly put them to one side because they are uncomfortable or difficult diplomatically. It does not mean that I underestimate the difficulties—I know they are very real—but nonetheless I think we need to look for ways to try to get more effective action to get improvements in this area.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Defence) (7.29 pm)—I want to make some very brief comments on the report of the Senate Foreign Affairs, Defence and Trade References Committee on China. I want to confirm that Australia’s defence relationship with China complements a very strong and growing overall bilateral relationship. Our defence engagement is focused at a strategic level and directed at activities that generate goodwill, trust and mutual understanding and increasing openness. This engagement includes senior visits and cooperation in areas of shared interests such as counterterrorism, which is of course increasingly important, peacekeeping and disaster relief.

Australia and China are cooperating in areas such as the consequence management of security, particularly of the 2008 Beijing Olympics that Senator Bartlett mentioned. This reflects Australia’s experience in this area and our mutual interests in the safety of participants and spectators. Australia and China conduct naval passage exercises when our ships visit each other’s ports and this allows the Royal Australian Navy and the navy of People’s Liberation Army to operate together and understand basic tactical instructions and manoeuvres. We do not have plans to conduct more sophisticated joint military exercises with China in the near future but we do have an ongoing relationship,
which is important for both countries. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Intelligence and Security—Joint Statutory Committee—Report—Review of the re-listing of Al-Qa‘ida and Jemaah Islamiyah as terrorist organisations. Motion of Senator Ferguson to take note of report agreed to.

Migration—Joint Standing Committee—Report—Negotiating the maze: Review of arrangements for overseas skills recognition, upgrading and licensing. Motion of Senator Kirk to take note of report called on. On the motion of Senator McEwen debate was adjourned till the next day of sitting.

Community Affairs Legislation Committee—Report—Transparent Advertising and Notification of Pregnancy Counselling Services Bill 2005. Motion of the chair of the committee (Senator Humphries) to take note of report called on. On the motion of Senator McEwen debate was adjourned till the next day of sitting.

Community Affairs References Committee—Report—Beyond petrol sniffing: Renewing hope for Indigenous communities. Motion of the chair of the committee (Senator Moore) to take note of report called on. On the motion of Senator McEwen 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 agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Order! It being 7.31 pm, I propose the question:

That the Senate do now adjourn.

Queensland Liberal Party: Annual Conference

Crocodiles

Senator IAN MACDONALD (Queensland) (7.31 pm)—Last weekend the Queensland division of Liberal Party met for the annual conference and three new vice-presidents were elected, Gary Spence, John Caris and John Clifford—and congratulations to them. The convention also adopted a motion, which I moved on behalf of the Burdekin branch of the Liberal Party, to introduce a sustainable cull of crocodiles in Queensland.

Commercial hunting of crocodiles began in the Northern Territory in 1945 and continued until 1971 when the species was protected due to the very marked decline in the population of crocodiles. The decline between 1945 and 1971 was assessed by the skins produced during that period. Between 1945 and 1971 the total number of skins from the Northern Territory entering trade was estimated to have been 113,000 but, of those, 87,000 were killed between 1945 and 1958 and only 26,000 between 1959 and 1971. After 1971 wild harvesting of the crocodile stopped but since then the population has increased from approximately 3,000 in 1971 to an estimated 30,000 to 40,000 individuals in 1984.

In the Northern Territory there was, in 1980, permission given to begin farming crocodiles where farm stock was derived from wild harvest of crocodile eggs and from a captive breeding program. The industry has managed to ensure that it does not have any detrimental effects on crocodile populations.
Since 1966, limited wild harvesting of adults and hatchlings has also occurred. The sustainability of the crocodile industry is evidenced by the continuing increase in the population of wild crocodiles, which in 1984 was estimated to be between 70,000 and 75,000. Wild harvesting of juvenile and adult crocodiles recommenced in 1997. Adult and juvenile crocodiles are harvested for several reasons including the provision of stock for farms, for immediate skin and flesh production and for the production of souvenirs. The crocodiles are allowed to be killed and used directly for skin and meat production or captured and used as stock in crocodile farms. The homing instincts of crocodiles and the expense of transporting and handling crocodiles does mean that many crocodiles taken from populated areas are not relocated.

In Queensland intensive harvesting of wild crocodiles began after the return of soldiers from the Second World War. The majority of these crocodile hunters were land based and over the years thousands of skins were exported and many juvenile crocodiles were hand caught to supply what was called the stuffer trade. The intensive harvesting severely depleted the population of wild crocodiles in Queensland and raised concerns about the long-term viability of the population. The species was fully protected under a Queensland act in 1974 and that remains the position as of today. Scientists have, however, estimated—and it can only be an estimate—that there are currently anywhere between 100,000 and 250,000 crocodiles in Queensland, the Northern Territory and the north-west of Western Australia.

In recent times, crocodiles have been seen much more often in more populated areas. A couple of weeks ago every day on the front page of the Townsville Bulletin there were reports of crocodiles being sighted off the Strand in Townsville. The Strand is a very popular tourism destination, a great place for locals to go swimming. There is a rock pool there and they do have stinger nets in season but the Strand beach is very popular and lots of parents take their children down there and let them run fairly unsupervised because it has always been known to be a very safe place. But the appearance of crocodiles off Kissing Point caused some real problems and the beaches were shut for three days at a time. In addition to this, crocodiles have been sighted in the Mackay boat harbour. They are now regularly seen in the delta creeks of the Burdekin River. I used to fish quite a lot in the delta creeks years ago. I do not go quite so much these days, although in the last 12 months I have had a bit of an opportunity to go down a bit more.

I remember that 20 or 30 years I would drag a bait net through the creeks at midnight, up to my chest in water, but it is something I would not do these days. Back 20, 30 or 40 years ago it was possible to do that because there were very few crocodiles in the area, but I barely get out of the boat to pump yabbies at the present time without being very cautious of crocodiles that might be around. I know that in Cairns crocodiles are often seen along the foreshore of the creeks close to the city. It does seem that crocodile populations are moving more into areas which are inhabited by human beings.

Just yesterday at Cape Tribulation, north of Cairns, a tourist—who was being a bit silly, I must say—tried to attract a crocodile to get a better photograph and was bitten by the crocodile and lucky not to have been dragged into the water, submerged and hidden for food to be eaten later on. It demonstrates the point that there are now more and more crocodiles in the same areas as human beings. Some would say, ‘Crocodiles were here first, they are entitled to be here and human beings shouldn’t be here.’ But, of course, the reality is that human beings are going to go to Strand Beach, Cape Tribula-
tion or Mackay boat harbour or go fishing in the Burdekin creeks. I make a simple distinction: when it comes to the question of whether you protect the crocodile or the human being, I will always go with the human being.

I think this is now a time when we can cull crocodiles in Queensland and the rest of Australia. It is already happening to an extent in the Northern Territory. It can be done sustainably. I think we are clever enough these days to be able to manage wildlife populations. I only need to refer senators to the culling of kangaroos in Australia to demonstrate that point. Each year, we slaughter tens of thousands of kangaroos for meat production. Kangaroo meat is very tasty and healthy and is very much in demand overseas. I think it is sold a lot in Germany. I would like to eat more but my wife refuses to eat it. She says she will not eat the national emblem, and I know there are many Australians like that. But kangaroos are sustainably harvested and it is a real industry that creates employment out in western Queensland.

I think there is nothing wrong with sustainably harvesting Australia’s native wildlife. I think the same could apply to crocodiles as with kangaroos. With crocodiles, it is not so much a question of harvesting them for meat or for their skins as one of the safety of the general public. I think there is a place for crocodiles but it is not in the same place as humans congregate. Many may say it is a pity humans are in those places, but that is the reality. They are there and I think the time has come when we need to sustainably cull crocodiles for the safety of human beings.

**Integrators Action Day**

Senator MOORE (Queensland) (7.41 pm)—I, and also on behalf of Senator Glenn Sterle, want to make some comments this evening. The International Transport Workers Federation, the peak international body for transport unions world wide, has targeted today as Integrators Action Day. Integrator companies are those which sort, transport and distribute parcels and packages. The companies which do this work are some of the global giants of the transport game such as UPS, DHL, FedEx and TNT—names we all know.

The Transport Workers Union, the union which represents workers in those companies in Australia, is taking a leading role in Integrators Action Day. Meetings have been held in yards throughout the day, petitions have been signed and union members have been encouraging nonmembers to join their union. TWU officials will be posting photos of their activities on the TWU website so that other union members across the world can see that they are all fighting the same fight in a show of genuine international solidarity.

The coordination of such activities across the world on the same day is all the more necessary as companies like FedEx and DHL extend their operations world wide. In a globalised business world, the emergence of internationally coordinated union action is essential. Teamsters Canada will be using today, Integrators Action Day, to inform members about the ITF and the union’s role in the wider global trade union movement, as well as to build awareness of participating in global action in order to assist the union’s activities to organise the unorganised locally. The campaign poster will be displayed at local offices and on Teamsters Canada bulletin boards at workplaces. Today, 9 November, the union will meet with Canadian members of parliament to discuss the action day and to highlight the challenges workers face world wide in trying to organise workers.

As part of a long-term campaign to organise drivers and sort personnel at FedEx
Ground Home Delivery, the International Brotherhood of Teamsters Parcel and Small Package Division mobilised 110 local unions to distribute ITF and union materials at more than 200 FedEx ground facilities during the week of 6 November. It has started and it is working well. The union is currently organising activities to educate drivers of their rights as employees and their rights under US transportation laws. Materials distributed during this week will carry the message, ‘Don’t risk an accident: report hours of service violations.’

Through the International Transport Workers Federation, members of the Canadian parliament will be speaking to Teamsters Canada today about the difficulties they face in maintaining safety in the transport industry. The GMB in Great Britain is planning to undertake a nationwide health and safety audit of every DHL workplace in order to find the 10 most identifiable hazards. Local union stewards will present a letter to local managers to explain why the union is carrying out this audit as part of their actions for the global action day. Health and safety meetings will also be held with members at each workplace on action day.

In Germany, ver.di is planning a nationwide program of activities on the day for workers in the four integrator companies. In Germany those are UPS, DHL, FedEx and TNT. These activities include workshop meetings, submission of objectives and demands to management, press conferences and leafleting.

In India, union members at DHL, where the ability of union officials to exercise their right of entry has been inhibited, are holding meetings to discuss their ability to fight for their right to union representation and are holding demonstrations outside DHL offices.

The objectives of the Communication and Transport Workers Union of Zanzibar in Tanzania on the action day are to organise and recruit new members and to raise awareness on trade union issues, particularly on the issue of HIV-AIDS at workplaces—linking industrial work, rights at work and social justice issues with the real issues of health in that area. The union will target unorganised workers at several companies and organisations including the Tanzania Civil Aviation Authority, the Tanzania Post Corporation and private charter flight companies. On 9 November the union will hold an awareness meeting at Zanzibar International Airport.

The integrators are, by and large, multinationals. Their market share is increasing each year. As international trade and globalised markets become the norm, packages are flying across the world at an unheard of rate. As transport unions across the world increasingly deal with the same companies, the exact same issues arise for working people across the world.

Interestingly, there are two issues that seem to be at the heart of every transport worker’s plight across the world: safety and the right to be active and participate in their union. Here at home in Australia we can look at our own long-distance industry to see these points clearly illustrated. Where drivers are isolated with restricted or limited bargaining capacity, lower rates forced on them by retail giants will see them more vulnerable to conditions which will force excessive driving hours and increased deaths on our roads from fatigue.

In Queensland the Transport Workers Union, under the leadership of Hughie Williams, has been fighting this battle for many years. Luckily, they have received quite strong media support, so Queenslanders can see the dangers of long hours without appropriate rest breaks and the amazing dangers that this offers for all drivers on the road.
Each time the government attack workers rights to join together collectively for decent conditions, in many ways they are driving nails into another coffin. For the future safety of all Australians on our roads we must support the collective rights of transport workers to organise for decent wages and conditions, maintaining genuine safety for all workers—and, in this case, for those workers who work in the transport industry. Without this we face horrific road statistics on the main street of every city and town in Australia. Today we join in international action to mark Integrators Action Day. We respect the work and lives of men and women who work in this important industry and we strive to maintain the fight here and across the globe.

Child Protection

Senator BARTLETT (Queensland) (7.48 pm)—I want to speak further tonight about an issue I have raised a number of times in this place, including earlier this week—that is, the continuing crisis with child abuse and neglect and the continuing crisis in most child protection agencies around Australia. I raise this not to score political points against the relevant state governments trying to administer these issues but more to highlight just how enormous and intransigent a problem it is and to repeat my plea, a plea that was validated—I guess that is the right word—by a Senate resolution a couple of months ago urging the federal government and all state governments to make child protection issues a national priority. I know the federal government has been doing some things in this area—I acknowledge that, in general terms, the responsibility in a jurisdictional sense rests predominantly with state governments. But it is clear that this is a national issue. And it is clear that it will take concerted national action and a national priority to really start to see some improvement.

I note a couple more stories this week. The Tasmanian government tabled a report. Their local Minister for Health and Human Services, Lara Giddings, announced a 12-point reform of the Tasmanian child welfare system based on 143 recommendations contained in the report on child protection services. There will also be 20 additional staff employed to reduce the unallocated case load, which has increased by 1,000 per cent since 2003. The report noted that the child protection service in Tasmania received over 13,000 notifications of suspected child abuse and neglect in 2005-06. Of those, 1,452—over 10 per cent—remained unallocated for investigation. They were not only uninvestigated but unallocated for investigation. That is a reflection of the huge increase in demand because of the huge increase in notifications of suspected child abuse and neglect.

It is reasonable to assume that part of the huge increase in notifications is a growing awareness amongst the community—and that is certainly a positive thing—and a growing willingness amongst the community to report suspected child abuse and neglect. And of course not all of those 13,000 notifications would involve genuine cases of child abuse and neglect, but a substantial proportion do. The report that the minister tabled detailed the circumstances of a child who had died because of serious system failures. The government ordered investigations into a further nine children who had died in the past two years who had been known to the service during their lives. Their circumstances have not been fully investigated yet. Again, some of those may have innocent circumstances surrounding their deaths. I am not singling these figures out to take a shot at Tasmania. It is just that they are the latest, frankly, in a long line—indeed, they are one of the few states that I did not mention the last couple of times that I spoke on this issue, because we have had major reports released.
in Western Australia, major problems in Victoria, major problems reported in New South Wales, problems in the ACT and problems in Queensland. It is a nationwide problem, which is why we need a national approach.

Increasing staff to handle the unallocated case load is of course essential. I would note also that this week the new Minister for Child Safety in the Queensland government, Desley Boyle, announced 15 scholarships to assist Queenslanders interested in working in child protection. The number of staff in the child protection and child safety area has increased by more than 75 per cent to over 2,200 people over the last couple of years. I am sure somebody could query and quibble about some of the specifics of those precise statistics—I am sure they are tweaked in a way to make them look as good as possible—but the fact is that it is a lot of people. There are a lot of people working in this area and they are still overloaded. We need more people. It is a simple fact that the problem is so enormous that we do need more people in there. I congratulate the Queensland government on their extra scholarships and, apart from anything else, on trying to encourage people into this area by making it more attractive and making people think about working as a child safety officer as a career option.

Just getting more and more people to deal with the consequences of child abuse and neglect is essential in the short term, but it is not really going to break the back of this problem. We are just continually picking up the pieces at the end. I know there are resources going into early intervention. It is an impossible balancing act as to where you put the resources when you have so many unallocated cases, so many reports that have not been probably investigated, the inability to find foster parents and the inability to properly follow through on individual cases, and then you are trying to work at the early intervention end at the same time. It is an impossible task. That is why I again bring it back to the need for national leadership and making it a national priority. I am not talking about pouring in bucketloads of money—though some extra funds would be important—but taking national leadership in addressing this issue and changing social attitudes.

The more I look at this, the more I come to the conclusion that, if you have an increasing number of reports and verified instances of serious child abuse and neglect and an increasing number of people needing to be recruited to try and deal with this, what all these figures reflect, frankly, is a real sickness within our society. What sort of society do we have that has such rampant abuse and neglect of its children? There is a lot of talk—and appropriate talk—about the problem of violence and neglect in Indigenous communities, and certainly that needs to be recognised and addressed as well, but we should not kid ourselves that there is not a very, very serious problem with child abuse and neglect in most parts of the Australian community, among people of all cultural backgrounds, in large cities and small.

A lot of that is not acknowledged. A lot of it is unrecognised. A lot of it is literally in-house. Until we confront that extremely unpleasant reality and start asking ourselves why it is that so many Australians so badly abuse their own children and the children they live with, then we are really not going to get to the bottom of the problem. That is not saying we should not be putting more resources into dealing with the consequences, but we will be doing that forever unless we really start tackling the prevention end.

I think there are a lot of good ideas out there. People who work in the child protection area are continually impressed by the
material brought forward by NAPCAN, for example, the National Association for Prevention of Child Abuse and Neglect. As their name suggests, they are focused on prevention and there really is not enough being put into that. Nobody has all the answers, of course, and we can never eliminate this abomination completely, but we are really not taking it seriously enough. We are treating it as a continuing scandal at the end of the process. There are continuing reports of terrible examples of awful experiences that children are subjected to that are reported almost as some smut type videos or smutty instances of real-life perversion that we can all look at and tut-tut about.

We just assume it is dealing with people who are not like us. They are people like us and they are people who live in our cities and our neighbourhoods. I am not even wishing solely to demonise those people, because they are the product of our society. We probably all have different ideas about why that is, but I guess that is why we need a stronger national debate and more national leadership and priority given to it. I am certain that it is an issue all senators from all sides of politics would agree is a major problem and a terrible problem. I think we need to move beyond that to looking at what more we can do at a national level to actually get it addressed.

United States of America Mid-Term Elections

Senator BARNETT (Tasmania) (7.57 pm)—I rise tonight to share some observations on the US elections held on Tuesday this week. At the start I want to pass on my congratulations to the Democrats on their significant success in retaking the House of Representatives after 12 years. Apparently, as at the latest information, there is a strong chance of their holding a majority in the US Senate. Whether there will be an appeal in the state of Virginia between Webb and Allen I do not know, but nevertheless it is a first for the US, with Nancy Pelosi being the first woman Speaker in the House of Representatives.

I would also like to pass on my condolences to Republican Senator Jim Talent from the state of Missouri. I met Senator Jim Talent during my time working in Washington DC in 1986 and 1987, when I spent time with Thor Hearn, a good friend and colleague and a lawyer from the state of Missouri. Senator Talent is immensely capable and competent and is still young and has a tremendous future ahead of him. I wish him and his family well in their future endeavours. I also want to acknowledge the efforts of Bob Taft II, who is a former Republican Governor of Ohio, the son of my former boss, Bob Taft Jr, a former US senator and former partner and member of the Taft, Stettinius & Hollister law firm, which I worked with in Washington DC during 1986 and 1987.

I also note the Prime Minister’s statements today of congratulations to the Republicans and sharing some observations on the US elections. I note in particular his reference to Senator Hillary Clinton and Senator John McCain as prospective US presidential candidates in 2008. In that regard, I note that both those senators supported the war in Iraq. Also in regard to Iraq, I note that Senator Joe Lieberman, an independent candidate for the state of Connecticut, won against the nominated Democrat, Ned Lamont. Ned Lamont was elected by the Democrats to be their chosen candidate because his policy was to withdraw from Iraq—a cut-and-run policy. Interestingly, Senator Joe Lieberman, who supported the war in Iraq, convincingly won in Connecticut.

Nevertheless, I want to share some observations with regard to the merit of consider-
ing citizen initiated referendums here in Australia. I also want to share some comments on the merit of a three-year fixed term in the federal parliament for the House of Representatives and a fixed term of six years in the Senate. Before doing so, I say that on Tuesday in the US Americans did not vote for a president, but they did vote for one-third of the 100-member Senate, all of the 435-member House of Representatives, 36 of the 50 state governors, and thousands upon thousands of local mayors, councillors and officials. But there is more—much more. Americans also elected school board members, the boards of fire departments, county auditors and, of course, local sheriffs. Then there is the judiciary: the county court, the appeal court and the state supreme court justices.

Washington political consultant Earl Bender has said the US has more than 170,000 elected offices. According to one report, there are at least 83,000 units of government in the US. The US founding fathers designed the system this way to ensure power devolved down to the people rather than centralised in Washington DC. In November 2008, two years hence, we will see the US vote for a president and most of the 7,000 members and officials of the 50 states. With so many elections on the one day, the political party on the ascendency in the race for the White House could expect a certain amount of its popularity to flow through the system down to local government counties and the various elected officials.

With respect to citizen initiated referendums in the US on Tuesday, we have seen many referendums at the state level. In 2004 there were 11 referendums on the issue of marriage and whether the people supported marriage between a man and a woman. In each case, overwhelming support was provided. Likewise, at the election on Tuesday, voters in six states—Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin—balloted on that issue. From my understanding, again there was overwhelming support of marriage between a man and a woman. There were referendums on abortion, embryonic stem cell research—in the state of Missouri—the merit of smoking bans, higher tobacco taxes, compulsory acquisition of property and the like.

It is my view that there is merit in considering citizen initiated referendums here in Australia. Yes, we do live in a parliamentary democracy and MPs are there to make decisions for and on behalf of the people. Nevertheless, people are important, and it is up to them to make the decisions. If they can meet a threshold test in terms of citizen initiated referendums then surely it is proper and appropriate to listen to the people and hear their views.

We have, this week, just had a debate on the merits of cloning, and there was a split vote. In my view, the closeness of the vote undermines the integrity of the decision. Yes, we live in a parliamentary democracy, and the majority rules, but I think there is merit in considering that, when the integrity of such a decision is undermined because there is a split vote, when we have controversial ethical and moral issues such as human cloning, perhaps we should consider the merit of requiring either a 60 per cent or a two-thirds majority. I believe it is, in this case, of merit because then the parliament would not be seen to be split on the issue, and neither would the community. In my view it would provide some comfort to the legislators—meaning us—that we have support and backing for such controversial proposals, whatever proposals they may be. But when we are dealing with profound life issues such as human cloning—the deliberate creation of a human embryo for the purposes of research and its destruction—I think it would give
everyone comfort to know that a majority of significance and substance applies.

With respect to the US elections, you can see that substantial funds have been expended. On the funding of the elections and the election campaigns, one recent report estimated the cost of the elections plus the referendums that go with them at $US3.9 billion or $A5.3 billion. The Centre for Responsive Politics said that represented a 30 per cent increase on the elections held four years prior. I am happy to comment further on the cost of elections, but would like to conclude by saying that in the US they do have fixed term elections: every two years for the House of Representatives, every four years for the President and governors, and every six years for the US senators. They are fixed, so they are held on the first Tuesday after the first Monday in November. In Australia, because the average election is held every 2.5 years—if you look at the average since Federation—I support the merit of considering a three-year fixed term for the House of Representatives and a six-year term for the Senate. I find it very hard to support the merit of an eight-year Senate term. Nevertheless I do support, if at all possible, a four-year House of Representatives term, but, in this instance, if it requires an eight-year term for the Senate, that is something that I could not support.

Senate adjourned at 8.08 pm
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Post-Budget Function
(Question No. 1894)

Senator Milne asked the Minister representing the Minister for Employment and Workplace Relations, 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 Abetz—The Minister for Employment and Workplace Relations has provided the following answer to the honourable senator’s question:


(a) The function was held at Parliament House.
(b) Departmental officers and stakeholders were invited.
(c) Departmental officers and stakeholders attended.
(d) The cost of the function was $557.37.
(e) The cost of the function was allocated to the Minister’s departmental budget.
(f) No ticket price was charged.
(g) No donations were requested.
(h) No revenue was collected.
(i) Not applicable.

Lieutenant Commander Robyn Fahy
(Question No. 2029)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 15 June 2006:

(1) With reference to evidence given by the Department of Defence in relation to the Australian Federal Police (AFP) investigation into the alleged assault of Lt Commander Robin Fahy: (a) when was that complaint made; (b) by whom was it made; (c) who first received the complaint; (e) what record was made of the complaint; and (f) what investigation was made into the complaint, and by whom.
(2) (a) Who made the decision to refer the complaint to the AFP; (b) on what date was the decision made; and (c) what record exists of that referral.

(3) On how many occasions has the AFP interviewed members of the Australian Defence Force (ADF) on this matter, and on what dates.

(4) Has the AFP interviewed members of Delta Squadron and other classmates of Lt Commander Fahy; if so (a) how many; and (b) with what outcome.

(5) What action, if any, was taken by the Australian Defence Force Academy (ADFA) as a result of the complaint and the referral to the AFP.

(6) Has the AFP sought and obtained any documents from defence and/or the ADFA; if so: (a) what documents were sought; and (b) which have been provided.

(7) If access to documents has been refused by defence, on what grounds was refusal made.

(8) (a) In how many files are papers held relating to the assault and the specific complaint; (b) in whose possession are they; and (c) has the Chief of Navy or his staff ever had access to them.

(9) Which ADF and ADFA officers have been managing the relationship with the AFP on its investigation since the inquiry’s inception.

(10) (a) What support was given to the AFP by the ADF during their investigation; and (b) how many officers and others have made written statements to the AFP.

(11) In addition to the AFP inquiry, what investigation has been conducted by the ADF, ADFA or the department into the complaint.

(12) Was the assault subject of the complaint part of the Grey inquiry into behaviour of cadets at ADFA at the same time; if so, what further investigations were undertaken.

(13) Has departmental comment or evidence on the complaint of assault at the ADFA ever been sought by the Defence Ombudsman; if so: (a) when; and (b) what advice and material was provided to the Ombudsman.

Senator Ian Campbell—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) In a letter dated 11 December 2000.  
(b) Lieutenant Commander Fahy’s parents.  
(c) Chief of Navy’s office.  
(e) The letter was registered in the Defence Records Management System and, subsequently, placed on a file maintained by the Navy Headquarters Legal Office.  
(f) No investigation was conducted by the Navy as Lieutenant Commander Fahy’s parents specifically requested that the allegations not be investigated.

(2) (a) The Director General the Defence Legal Service after consultation with the Chief of Navy and Mr and Mrs Fahy.  
(b) On or about 20 February 2001.  
(c) Referral to the AFP was made in a letter dated 5 April 2001.

(3) Other than Lieutenant Commander Fahy who may have made a statement or been interviewed by the AFP, only one member of the ADF is known to have been interviewed by the AFP, at the Australian Defence Force Academy, on 5 June 2006.

(4) This question should be directed to the Minister for Justice and Customs.

(5) As the complaint involves allegations of sexual assault, the ADF has no jurisdiction to deal with the matter pending the outcome from the AFP investigation.

QUESTIONS ON NOTICE
(6) Yes.

(a) By e-mail dated 5 June 2006, Territory Investigations Group, AFP, has requested that the following records be made available for collection:
   - all academic and training records pertaining to Robyn Fahy;
   - all medical records pertaining to Robyn Fahy;
   - all incident records pertaining to Robyn Fahy;
   - the personnel file of Robyn Fahy;
   - all Military Police records pertaining to Robyn Fahy;
   - all accommodation records pertaining to Robyn Fahy;
   - details of members of Delta Squadron in 1986-1987;
   - details of members of 13 Division in 1986;
   - details of participants in the Cryptic Challenge in November 1986;
   - details of the duty medic at the Regimental Aid Post on duty on 25 and 26 April 1986;
   - details of the Sergeant/s of Military Police on duty on 25 and 26 April 1986;
   - details of commemorations and involvement of cadets in ANZAC Day 1986;
   - records in relation to the Graduation Parade in 1987 (Program, list of guests, map of parade, video and photos); and

(b) Those records are currently being sought from relevant areas within Defence and have not yet been provided to the AFP. Lieutenant Commander Fahy has provided written consent to the release of information pertaining to her. Navy and ADFA staff met with the AFP on 25 September 2006 to progress the search for the requested Defence records.

(7) As Defence is cooperating fully with the AFP, it is not envisaged that Defence will refuse access to any of the requested information.

(8) (a) Copies of the letter from Mr and Mrs Fahy to the Chief of Navy dated 11 December 2000 are known to be held on eleven files.

(b) The files are held by:
   - Navy Headquarters (1) by the Chief Legal Adviser;
   - Navy Systems Command (1) by the Command Legal Officer and (2) in the Directorate of Naval Officer’s Postings;
   - Head Defence Legal (3), by the Directorate of Litigation, General Counsel and Directorate of Administrative law;
   - Australian Defence Force Academy (1) by the Academy Legal Officer; and
   - Fairness and Resolution Branch (3) by the Directorate of Complaint Resolution.

(c) The Chief of Navy and some members of his staff have had access to the files held in Navy Headquarters and Navy Systems Command.

(9) The relationship between the ADF and the AFP has been managed by the incumbents of the positions of Command Legal Officer Navy Systems Command and the Academy Legal Officer since the matter was referred to the AFP in 2001.

(10) (a) The ADF is fully cooperating with the AFP in relation to this investigation and following their request of 5 June 2006 is attempting to source all the records requested in part 6 (a) above. The
meeting held on 25 September 2006 reconfirmed Defence’s intent and the extent of cooperation with the AFP.

(b) This question should be directed to the Minister for Justice and Customs.

(11) See my response to part (5).

(12) As part of the Grey Review there was an investigating team which, in conjunction with the military police, investigated every complaint made and incident identified. A well promoted hotline was set up that a number of people contacted. A list of names was developed that were thought to have been sexually assaulted, even though there were no complaints made. This list was the result of a very large number of interviews with then present and past cadets, with parents and staff. Neither Lieutenant Commander Fahy nor her father contacted the hotline and no complaint was made by, or incident identified which involved, Lieutenant Commander Fahy.

(13) (a) and (b) Although the Defence Force Ombudsman was aware of Lieutenant Commander Fahy’s allegations of sexual assault, verbal abuse and physical beatings while at the ADF A, and of her complaint to the Human Rights and Equal Opportunity Commission about these matters, the Defence Force Ombudsman has never sought information about these matters, or indicated that they were investigating them.

**Overseas Health Budget**

(Question No. 2464)

Senator Allison asked the Minister representing the Minister for Foreign Affairs, upon notice, on 4 September 2006:

(1) With reference to Australia’s overseas health budget, what percentage of the funds are allocated to:
   (a) general sexual and reproductive health programs such as family planning; (b) provision of condoms; (c) provision of contraceptives other than condoms; (d) treatment of sexually-transmitted diseases including HIV; (e) general maternal health services; (f) treatment of sexual and reproductive disabilities such as obstetric fistula; (g) post-abortion care; and (h) medical education and training.

(2) With reference to Australia’s contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria: (a) what percentage of the contribution goes towards general reproductive health programs; (b) what percentage of the contribution goes towards tuberculosis and malaria programs; (c) what percentage of the contribution goes towards specific HIV/AIDS programs; (d) what percentage of the contribution is counted as expenditure on reproductive health; and (e) does expenditure reporting for reproductive health include the expenditure on tuberculosis and malaria programs; if so, why.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:

(1) (a): 3.7 per cent in 2004/05. (b), (c), (d), (e), (f) and (g): Figures cannot be disaggregated using current OECD Development Assistance Committee codes. (h): 0.9 per cent in 2004/05

(2) (a), (b) and (c): Australia’s contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria is not attributed to specific programs. (d): The funding contribution to the Global Fund is recorded according to disbursement percentages provided by the Global Fund for each of the three diseases. The HIV/AIDS component is currently 57% and forms part of the total Australian Government expenditure on reproductive health. (e): No.
Antenatal Care
(Question No. 2465)

Senator Allison asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 September 2006:

(1) Is the Minister aware that the Rural Doctors Association has been quoted as saying ‘What you’ll find is there are many, many nurses who are trained to provide antenatal care who may not be current members of the Australian College of Midwives and so I don’t think we would see this as limits to people who are currently registered as a midwife. There are many women who have provided antenatal care in the past’.

(2) If nurses are not trained as midwives, what other qualifications can they obtain that would equip them to provide antenatal care.

(3) How many nurses without midwifery qualifications are registered as midwives in Australia.

(4) How many nurses without midwifery qualifications are currently providing antenatal care in Australia.

(5) How many nurses not registered as midwives are currently providing antenatal care.

(6) Does the Minister agree that qualifications as a midwife, registration as a midwife and membership of Australian College of Midwives are not the same thing.

(7) Will the new Medicare item rely on the medical practitioner’s ability to delegate to ‘appropriately qualified and trained’ staff; if so, how will the Government ensure that medical practitioners are aware of the difference between qualifications in midwifery, registration as a midwife and membership of the ACM.

Senator Santoro—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Yes, I understand that this was reported by the ABC on 15 August 2006.

(2) Antenatal care covers a range of activities and some of these are commonly taught through the general undergraduate nurse training and are able to be undertaken by a nurse. There are courses that exist or are currently being developed to provide nurses who are not already midwives with skills in more specialised midwifery activities.

(3) None. According to the Australian Nursing and Midwifery Council it is not possible to register as a midwife in any state or territory without midwifery qualifications.

(4) and (5) Antenatal care can cover a wide range of activities that can generally be undertaken by a nurse who is not trained in midwifery. The Australian Health Workforce Advisory Committee (AHWAC) found in their report, Midwifery Workforce in Australia 2002-2012, that registered nurses without midwifery qualifications were increasingly being employed in maternity units – most typically in antenatal and postnatal care. They also noted an increasing number of enrolled nurses employed in maternity units who were involved in general care of antenatal and postnatal women. Based on responses to the Australian Institute of Health and Welfare 1999 Nurse Labour Force Survey, the AHWAC report found that 19.1% of those who indicated that midwifery was their principal area of activity lacked midwifery qualifications and this represented 2,078 full time equivalent (FTE).

(6) Yes.

(7) Under the new antenatal Medicare item the medical practitioner will retain responsibility for the health, safety and clinical outcomes of the patient, and will ensure that the person providing the services on their behalf is appropriately registered, qualified and trained to undertake the delegated tasks. The medical practitioner will not be required to know the differences between qualifications
in midwifery, registration as a midwife and membership of the ACM. They will be required to ensure that eligible care providers are registered and, in the case of nurses and midwives, hold a current practising certificate issued by a state or territory regulatory authority. The government will rely on the medical practitioner’s professionalism and their responsibility under their medical indemnity insurance to ensure compliance with these requirements, in the same way that this is currently done for Medicare services delivered by practice nurses and Aboriginal Health Workers.

**Medical Services Advisory Committee**

(Question No. 2468)

Senator Allison asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 September 2006:

(1) How often does the Medical Services Advisory Committee (MSAC) meet each year and are there regularly scheduled meeting dates and times; if so, what are they.

(2) For each year since its establishment, how many submissions has MSAC received relating to new medical technologies and procedures receiving reimbursement under the Medicare Benefits Scheme.

(3) For each year since its establishment, what percentage of applications for new medical technologies and procedures have been approved by MSAC.

(4) How does this compare on average with the percentage of new medical technologies and procedures approved by the body that the MSAC replaced.

(5) How many existing medical technologies and procedures has MSAC reviewed or provided advice to the Minister on and of these, how many have included recommendations to withdraw or reduce public funding for the technology or procedure.

(6) What role do professional organisations, such as the Australian Medical Association or a relevant medical college, play in the assessment process.

(7) At what stage are these professional organisations consulted.

(8) Did the department or the Minister ever receive advice from a professional medical organisation that a MSAC recommendation would result in adverse outcomes for patients; if so: (a) what recommendation(s) did this relate to; and (b) what actions were taken in response to this advice.

(9) Can a copy of the final MSAC review report be provided; if not, why not.

(10) Can a copy of the submissions to the review be provided; if not, why not.

Senator Santoro—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) MSAC meets 4 times a year. The meetings are generally held as follows:

- 1st meeting: late February/early March
- 2nd meeting: mid-May
- 3rd meeting: late August
- 4th meeting: mid-November.

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* Of the 137 submissions received, some were deemed ineligible, or withdrawn or were suspended during assessment.

**QUESTIONS ON NOTICE**
(3) Positive recommendations for MBS funding**

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** These percentages reflect my predecessors’ and my own endorsement of MSAC recommendations.

(4) MSAC is the first advisory body of its kind where there is a clear link between evidence based medicine and provision of public funding for medical services. Therefore the work of MSAC cannot be compared with other previous bodies.

(5) MSAC has reviewed 117 new technologies and procedures since its establishment. MSAC has not made any recommendations to withdraw or reduce public funding.

(6) and (7) Medical colleges have submitted many applications to MSAC for assessment of new services and technologies. Through their membership, medical colleges are well placed to be aware of emerging trends in clinical practice and to be able to advise members of the need for data collection or clinical trials and in some cases organise or assist with such activities.

Medical colleges also nominate suitably qualified members to sit on MSAC’s advisory panels, which oversee the evaluation of an application and ensure its clinical relevance. Advisory panel members are appointed in their capacity as individual experts and not as representatives of professional groups. They work with MSAC’s external evaluators to develop and validate the research protocol and to consider and approve the draft assessment report. The draft research protocol for each assessment is also provided to the Australian Medical Association for comment.

(8) Reference 27: Vertebroplasty

On 27 September 2005 I endorsed MSAC’s recommendation for interim funding for:
- Vertebroplasty in patients with painful osteoporotic vertebral compression fractures confirmed by diagnostic imaging and not controlled by conservative medical therapy;
- Vertebroplasty in patients with pain from metastatic deposits or multiple myeloma in a vertebral body.

MSAC also recommended that the procedure be performed by appropriately qualified medical practitioners.

(a) On 8 November 2005, MSAC received a letter from the Australian Rheumatology Association regarding vertebroplasty for osteoporotic spinal fractures, raising concerns that the effectiveness of the procedure was unproven. The letter also drew attention to an NHMRC funded randomised clinical trial for vertebroplasty, the results of which are expected to be available in 2009.

(b) MSAC noted these concerns and asked for the support of the medical profession in conducting clinical trials to enable the collection of data. Interim funding has been provided for a period of five years after which time a review of the recommendation will be undertaken. The review will take into consideration the outcome of the above clinical trial.

Reference 8 – Intra-operative transoesophageal echocardiography (TOE)

In May 2002, MSAC recommended that interim public funding be provided for this procedure, with funding restricted to intra-operative assessment of cardiac valve competence following valve replacement or repair.

QUESTIONS ON NOTICE
(a) The Department of Health and Ageing received advice from the Australian Society of Anaesthetists suggesting that it would be unethical to restrict the use of intra-operative TOE on the basis that such restrictions might compromise patient safety.

(b) In February 2004, in response to this advice, I deferred the implementation of the MSAC recommendation and allowed funding for intra-operative TOE to continue on an interim basis.

(9) The report of the MSAC review is available to the general public via MSAC’s website at www.msac.gov.au.

(10) The submissions to the review are not available to the general public, and permission was not sought from stakeholders at the time to do so. However, all of the organisations which made submissions to the review are listed at Appendix C of the report. These organisations can be contacted individually for copies of their submissions.

**Community Housing and Infrastructure Program**

(Question No. 2472)

Senator Carr asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 5 August 2006:

For each of the financial years 2004-05 and 2005-06, can details be provided on the Community Housing and Infrastructure Program (CHIP), including: (a) each house that has been demolished; (b) each house that has been built; (c) each house that has been upgraded; (d) each house that has been purchased; (e) how much was paid for each house built or purchased; (f) under which element of CHIP the building, upgrade or purchase was undertaken; (g) the legal owner of each house and the organisation that manages it; and (h) the list of communities currently identified as priorities for receiving assistance under CHIP.

Senator Kemp—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

During the period, approximately 430 new houses were purchased or built at a cost of approximately $102 million. Over the same period there were also 500 major upgrades to existing houses and 60 demolitions. These activities took place in around 160 communities and were undertaken through the Community Housing and Infrastructure Program including through its sub program the National Aboriginal Housing Strategy. In most cases, the owners of the properties are the local Aboriginal Land Trust or the local Indigenous community housing organisation.

The information provided above relates to those aspects of the Community Housing and Infrastructure Program, which have been delivered directly by the Australian Government. It does not include details regarding houses purchased, upgraded or demolished under the Indigenous Housing and Infrastructure Agreements administered by state and territory governments. This information should be sought from the appropriate state or territory jurisdiction.

**Superannuation**

(Question No. 2474)

Senator Sherry asked the Minister for Finance and Administration, upon notice, on 5 September 2006:

With reference to a letter from Senator Coonan to the Minister on 22 June 2004 which stated ‘that the superannuation arrangements within your portfolio be reviewed with a view to ensuring consistency with the Government’s policy to recognise interdependent relationships for death benefits’:

(1) What steps has the Minister taken to comply with this request.
(2) When will the Minister introduce amendments to the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme funds to allow reversionary death benefits to be available to partners in interdependent relationships, in accordance with the above letter.

(3) What were the costs to the CSS of the inclusion of reversionary benefits for those in interdependent relationships, which the department has completed.

(4) What further matters, if any, need to be resolved before these amendments can be introduced into the Senate.

Senator Minchin—The answer to the honourable senator’s question is as follows:

(1) to (4) The Government is committed to providing all Australian Government employees with equitable and flexible superannuation arrangements and has introduced the Public Sector Superannuation Accumulation Plan (PSSAP) to provide a fully funded accumulation scheme for new employees. Through the PSSAP, the Government provides for death benefits to be available to the dependant of a scheme member - which can include a person in an interdependency relationship. Members can also nominate a dependant or dependants or a legal personal representative to receive those benefits. The PSSAP applies to new Australian Government employees who commenced employment on or after 1 July 2005.

Most Australian superannuation schemes are accumulation schemes, like the PSSAP, which can be readily adapted to pay death benefits to people in an interdependency relationship with no increase in cost to the scheme. The Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), however, are closed, defined benefit schemes. They are more complex and have very prescriptive rules to determine eligibility for death benefits.

Unlike accumulation schemes, benefits in the CSS and PSS are unfunded. This means that CSS and PSS benefits are largely funded by the Government from the Budget when a member leaves the scheme, rather than throughout a member’s period of employment, such as in accumulation schemes. While accumulation schemes typically pay death benefits as a lump sum, death benefits under the CSS and PSS are payable in pension form to eligible spouses and children and are payable for life in the case of a spouse.

Extending eligibility to death benefits in the CSS and the PSS to members in an interdependency relationship is likely to increase annual scheme costs and the Government’s unfunded liabilities because these changes may mean some people would qualify for a lifetime pension which they would not otherwise be entitled to receive. Unfunded superannuation liabilities are the Australian Government’s largest liability, currently amounting to more than $96 billion and are expected to grow to around $140 billion by 2020.

The Government has indicated that the issue of extending eligibility for death benefits in these schemes to persons in an interdependency relationship with a scheme member is being examined. However, because of the design of these schemes, a number of technical matters and also Budgetary considerations need to be fully examined before any decision could be made.

Education: Funding

(Question No. 2477)

Senator Nettle asked the Minister representing the Minister for Education, Science and Training, upon notice, on 6 September 2006:

(1) Can the department provide a list of all the Commonwealth funding programs (e.g. Parent School Partnership Initiative, Kids Excel, Investing in Our Schools etc.) that schools can access and which require the school to make an application in order to receive it.

(2) For each program: (a) what is the duration of each funding grant (i.e. annual, biannual or more); (b) is funding provided once only or is it renewable; if renewable, is a new application needed to re-
new funding; (c) how long is the application form (number of pages or number of questions); and (d) what is the average time period between the application form being lodged and the funding being issued.

**Senator Vanstone**—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) A list of Australian Government funding programmes that schools can access and which require an application in order to receive funding is contained in the table at Attachment A. Note: the Kids Excel programme identified in the question appears to be a NSW Government programme, as part of the Two Ways Together Aboriginal Affairs Plan, administered by the New South Wales Department of Aboriginal Affairs.

(2) Please refer to the table at Attachment A.

**ATTACHMENT A**

**AUSTRALIAN GOVERNMENT SCHOOL FUNDING PROGRAMMES AND THEIR APPLICATION PROCESS**

<table>
<thead>
<tr>
<th>Programme</th>
<th>2(a) Duration of each funding grant</th>
<th>2(b)(1) Is funding provided once or renewable?; (2) If renewable is a new application needed to renew funding?</th>
<th>2(c) How long is the application form? (no. of pages; no. of questions)</th>
<th>2(d) Average time period between lodge-ment and funding issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investing in Our Schools Programme (IOSP) – Government Schools</td>
<td>12 months.</td>
<td>1) Renewable - to a maximum of $150,000 (GST excl).</td>
<td>7 pages.</td>
<td>Approximately 8 months.</td>
</tr>
<tr>
<td>Investing in Our Schools Programme (IOSP) - Non Government Schools</td>
<td>Schools are required to spend grant payments not later than 6 months after the date of receipt.</td>
<td>1) Renewable. 2) Yes.</td>
<td></td>
<td>Information not available.</td>
</tr>
<tr>
<td>Australian School Innovation in Science, Technology and Mathematics (ASISTM) Project – the major component of the Boosting Innovation, Science, Technology and Mathematics Teaching Programme (BISTMTTP)</td>
<td>Generally 12 to 18 months.</td>
<td>1) Once.</td>
<td></td>
<td>No set period.</td>
</tr>
<tr>
<td>Values Education – the Values education Good Practice Schools Projects – Stages 1 and 2</td>
<td>Stage 1 (2005-06) – 11 months.</td>
<td>1) Once for each stage.</td>
<td>4 pages.</td>
<td>Stage 1 – six weeks.</td>
</tr>
<tr>
<td></td>
<td>Stage 2 (2006-08) – 20 months.</td>
<td></td>
<td></td>
<td>Stage 2 - two and a half months.</td>
</tr>
<tr>
<td></td>
<td>1 week.</td>
<td></td>
<td></td>
<td>Four weeks.</td>
</tr>
<tr>
<td>Civics &amp; Citizenship Education (CCE) programme – Celebrating Democracy Week Quality Outcomes Programme – Family-school Partnerships Project</td>
<td>10 months.</td>
<td>1) Once.</td>
<td></td>
<td>Two months.</td>
</tr>
<tr>
<td>Programme</td>
<td>Duration of each funding grant</td>
<td>How long is the application form? (no. of pages; no. of questions)</td>
<td>Average time period between lodgment and funding issued</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Country Areas Programme (CAP) *</td>
<td>4 year agreements with Government, Catholic and Independent education authorities in States and the Northern Territory, under the Schools Assistance Act 2004. Funding is then provided to the education authorities for one-off grants to schools through an annual approval process.</td>
<td>1) Renewable.  2) Yes. Forms for this programme are the responsibility of the respective state/territory government or Block Grant Authority. Information not available.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Success for Boys Programme – Round II</td>
<td>1 year.</td>
<td>Application form was 4 pages and consisted of 6 questions.</td>
<td>Four months.</td>
<td></td>
</tr>
<tr>
<td>Non-Government - General Recurrent Grants (GRG) including Establishment Grant (EG) and Distance Education Grant (DEG)</td>
<td>GRG, DEG - quadrennium funded covered by a 4 year Agreement between the Australian Government and non Government schools and Systems. Establishment Grants paid over 2 years.</td>
<td>GRG, DEG 1) Renewable  2) Based on annual enrolments collected in August. Funding can be withheld or ceased if a school fails to meet the requirements of their Agreement or the school closes. EG – Once.</td>
<td>The application form is available on the DEST website*. Around 4 weeks.</td>
<td></td>
</tr>
<tr>
<td>Non-Government Element – Capital Grants Programme</td>
<td>1-3 years</td>
<td>1) Once Forms for this programme are the responsibility of the relevant Block Grant Authority (BGA).</td>
<td>Approximately 8-9 months depending on planning approvals.</td>
<td></td>
</tr>
<tr>
<td>Short Term Emergency Assistance (STEA) Programme</td>
<td>1 year</td>
<td>1) Generally one off funding. There is no application form. The STEA Guidance notes provide advice on the information a school needs to submit in its request for emergency funding.</td>
<td>Between 4 and 8 weeks.</td>
<td></td>
</tr>
</tbody>
</table>

* Note: CAP funds are paid to the relevant education authorities (state and territory government, Catholic and Independent Schools associations) rather than from the Australian Government directly to schools.

* The application form for new schools is available at: www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/operating_grants/general_recurrent_grants/default.htm

Non-Government – General Recurrent Grants (GRG) including Establishment Grant (EG) and Distance Education Grant (DEG): GRG, DEG - quadrennium funded covered by a 4 year Agreement between the Australian Government and non Government schools and Systems. Establishment Grants paid over 2 years. GRG, DEG 1) Renewable 2) Based on annual enrolments collected in August. Funding can be withheld or ceased if a school fails to meet the requirements of their Agreement or the school closes. EG – Once.

Application form for new schools is available on the DEST website*. Around 4 weeks.

* The application form for new schools is available at: www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/operating_grants/general_recurrent_grants/default.htm

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Application form for new schools is available on the DEST website*. Around 4 weeks.
<table>
<thead>
<tr>
<th>Programme / Project</th>
<th>Duration</th>
<th>Renewability</th>
<th>Application Form</th>
<th>Average Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flagpole Funding Initiative</td>
<td>N/A</td>
<td>1) Once</td>
<td>1) Once</td>
<td>Up to 6–9 months</td>
</tr>
<tr>
<td>Career Education Lighthouse Schools Project</td>
<td>1 school year</td>
<td>1) Once</td>
<td>The application form is available on the DEST website*.</td>
<td>4 – 6 months</td>
</tr>
<tr>
<td>Enterprise Learning for the 21st Century</td>
<td>No fixed period, Grants run for up to 3 years</td>
<td>1) Renewable, 2) Yes</td>
<td>9 pages (14 questions)</td>
<td>4 months</td>
</tr>
<tr>
<td>Indigenous Education: Whole of School Intervention Strategy – Parent School Partnership Initiative</td>
<td>No fixed period</td>
<td>1) Renewable, 2) Yes</td>
<td>12 pages (17 questions)</td>
<td>8 – 10 weeks</td>
</tr>
<tr>
<td>Indigenous Education: Whole of School Intervention Strategy – Homework Centre</td>
<td>No fixed period</td>
<td>1) Renewable, 2) Yes</td>
<td>12 pages (17 questions)</td>
<td>8 – 10 weeks</td>
</tr>
<tr>
<td>Indigenous Education Package</td>
<td>Quadrennial funding currently 2005 – 2008</td>
<td>1) Renewable, 2) Only updated enrolment information is required annually to ensure correct payment</td>
<td>8 pages</td>
<td>Within 28 days of execution of the funding contract</td>
</tr>
</tbody>
</table>

Applications for the following programmes are applied for within this package:
Indigenous Tutorial Assistance Scheme – In Class Tuition
Indigenous Tutorial Assistance Scheme – Year 10,11,12
Indigenous Tutorial Assistance Scheme – Remote Indigenous Students
Supplementary Recurrent Assistance (SRA)

Note: Under the Indigenous Education Package funding is for systems, non-systemic schools can apply individually. Schools that are part of a system apply through their system.

**Taxation**

*(Question No. 2481)*

Senator Murray asked the Minister representing the Treasurer, upon notice, on 7 September 2006:
Is it possible to introduce policy measures that will ensure that no Australian experiences an effective marginal tax rate above 46.5 per cent. If it is possible to do that, what steps are being taken by the Government to lower existing effective marginal tax rates, (affecting lower income Australians), towards the top rate of 46.5 per cent. If the answer is that it is not possible to ensure that no Australian experiences an effective marginal tax rate above 46.5 per cent, please explain why not.

Senator Minchin—The Treasurer has provided the following answer to the honourable senator’s question:

The Government is committed to targeting assistance and benefits to those most in need. A consequence of the Government targeting benefits is that as a taxpayer’s income rises it is generally necessary to withdraw payments. The tapering of benefits and the progressivity of the personal income tax rates gives rise to the concept of effective marginal tax rates (EMTRs).

Since coming to Office, the Government has achieved reductions in EMTRs by simultaneously dropping the income test taper rate on benefits and cutting taxes. The recent AMP.NATSEM Report Trends in effective marginal tax rates 1996-97 to 2006-07 concluded that “almost nine in every ten working age Australians face an effective marginal tax rate in their next dollar of income of 40 per cent or less”. In addition, the report found that over the last decade there has been a large fall in the proportion of working age Australians experiencing EMTRs of between 40 and 50 per cent. While almost 20 per cent of working age Australians faced an EMTR of 40 to 50 per cent a decade ago, today the proportion is down to less than 7 per cent.

The Government has reduced EMTRs by adjusting rates and thresholds.

The rate changes include:

- Reducing the withdrawal rate on Newstart Allowance and other allowance payments by 10 percentage points from Labor’s 70 per cent;
- Reducing the withdrawal rate on pensions by 10 percentage points from Labor’s 50 per cent;
- Reducing the taper on maximum family payments by 30 percentage points from Labor’s 50 per cent;
- Reducing the Medicare phase-in by 10 percentage points from Labor’s 20 per cent; and
- Reducing Labor’s tax rates of 17, 34, 43 and 47 per cent to 15, 30, 40 and 45 per cent.

The threshold changes include:

- Raising the maximum family payment income test threshold from Labor’s $22,650 to $40,000; and
- Raising Labor’s tax thresholds of $5,400, $20,700, $38,000 and $50,000 to the Government’s tax thresholds of $6,000, $25,000, $75,000 and $150,000 along with a quadrupling of Labor’s Low Income Tax Offset.

A policy of specifying that no Australian experiences an EMTR above a specific rate would require:

- having a universal family payments and child care benefit scheme;
- removing people with social security payments from the tax system and adopting a part-year tax system for people who move on and off social security;
- lowering the top taper rate on allowances to 46.5 per cent and thus extending the income range over which benefits apply.

Such a system would be very expensive, otherwise those families most in need would be substantially worse off. In addition, this system would reduce the Government’s ability to target those people most in need.
Airspace Management Contract
(Question No. 2495)

Senator O’Brien asked the Minister for Justice and Customs, upon notice, on 18 September 2006:

With reference to the answer to question on notice no. 2127 concerning the Australian Federal Police (AFP) investigation of matters related to the airspace management contract between Airservices Australia and the Government of the Solomon Islands:

(1) Did the AFP investigation consider whether a breach of Commonwealth, State or Territory or Solomon Islands law occurred, or was the scope of the investigation limited to determining whether a breach of Commonwealth law occurred.

(2) What additional material was made available by Airservices Australia in May 2006 which resulted in a renewed investigation of this matter by the AFP.

(3) Was any evidence of a breach of Commonwealth law found in the course of the 2005 and 2006 investigations; if so: (a) can details be provided; and (b) why was this evidence not sufficient to support a charge of criminal conduct.

(4) Was any evidence found of a breach of State or Territory law, or Solomon Islands law; if so, can details be provided.

(5) Were any foreign public officials interviewed during the course of the 2005 and 2006 AFP investigations.

Senator Ellison—The answer to the honourable senator’s question is as follows:

(1) Yes, the investigation considered whether a breach of Commonwealth, State, Territory or Solomon Islands law occurred.

(2) The additional material provided by AirServices Australia consisted of correspondence. As this information relates to operational information, no further details can be provided.

(3) No evidence of a breach of Commonwealth law was found in the course of the 2005 and 2006 investigations.

(4) No evidence was found relating to a breach of State or Territory law. The files were referred to the RAMSI Corruption Taskforce in the Solomon Islands for assessment.

(5) No.

Domestic Violence
(Question Nos 2498 and 2499)

Senator Allison asked the Minister for Families, Community Services and Indigenous Affairs and the Minister representing the Minister Assisting the Prime Minister for Women’s Issues, upon notice, on 21 September 2006:

(1) Has the ‘Violence Against Women, Australia Says No’ campaign been evaluated; if so: (a) by whom; (b) when; (c) what was the cost of the evaluation; and (d) what methods were used to conduct the evaluation.

(2) Can a copy of the evaluation results be provided; if not: (a) why not; and (b) can a summary of the findings be provided.

Senator Coonan—The Minister representing the Minister for Families, Community Services and Indigenous Affairs and the Minister representing the Minister Assisting the Prime Minister for Women’s Issues have provided the following answer to the honourable senator’s question:

QUESTIONS ON NOTICE
Yes. Elliott & Shanahan Research.
Benchmark Survey (May 2004)
1st Evaluation and Tracking Survey (September 2004)
2nd Evaluation and Tracking Survey (January 2006)
Benchmark Survey – $179,025.00 (GST Inc)
1st Evaluation and Tracking Survey – $237,930.00 (GST Inc)
2nd Evaluation and Tracking Survey - $231,384.00 (GST Inc)

To ensure consistency and comparison of data, all the Violence Against Women. Australia Says NO. campaign’s evaluation and tracking research uses the same research techniques. The research methodology includes a nationwide telephone survey and a series of group discussions.

No. It is standard practice in Government campaigns that any research commissioned by the Government for the purpose of campaign development and/or evaluation is not available for general release until after the campaign has finished running.

No. However, independent research has shown that the campaign has successfully raised awareness about violence against women.

United Nations Agency for Women
(Question No. 2500)

Senator Allison asked the Minister representing the Minister Assisting the Prime Minister for Women’s Issues, upon notice, on 21 September 2006:

(1) Is the Minister aware of reports that a high-level United Nations (UN) panel will recommend that a proposal by the UN Special Envoy for HIV/AIDS in Africa, Mr Stephen Lewis, to create a new UN agency for women be supported; if so, does the Government support the establishment of such an agency; if not, why not.

(2) Has the Government received representation on this matter; if so, from whom.

(3) What representation has the Government made to the UN with regard to the establishment of such an agency.

Senator Vanstone—The Minister Assisting the Prime Minister for Women’s Issues has provided the following answer to the honourable senator’s question:

I have read the speech delivered by UN Special Envoy Stephen Lewis at a conference on UN reform and human rights at Harvard Law School on 26 February 2006. His view was that the UN is hopelessly fragmented in its dealings with women’s issues and women’s human rights. I am aware also that, at an event co-sponsored by the Centre for Global Development and the International Center for Research on Women on 7 September 2006, he predicted that the High Level Panel on UN System-wide Coherence will recommend that the UN create a new agency for women. The recommendations of the High Level Panel will be released later this year, at which time we will consider them.

Australia is currently developing its position on UN operational system reform and how we can best contribute to the work of the Panel. One of our key objectives is to ensure that the Panel considers in its program of work how cross-cutting issues, such as gender equality, human rights and sustainable development, can be appropriately addressed. The aim should be to find ways to ensure effective delivery of results at the country level.

I have been informed that UNIFEM Australia wrote to the Minister for Foreign Affairs on this issue and am not aware of any other representation to the Australian Government.

The Australian Government has not made any representation to the UN with regard to a specific proposal to establish a new agency for women, however at the informal meeting of the plenary with mem-
bers of the High-Level Panel on 6 April 2006, the statement of Canada, Australia and New Zealand (CANZ) advocated for the panel to appropriately address gender issues. We also welcomed the fact that UN Secretary-General Kofi Annan had explicitly requested the Panel, in his report on mandates, to focus on how gender equality could be better and more fully addressed by the UN.

Preschool Education
(Question No. 2501)

Senator Allison asked the Minister representing the Minister for Education, Science and Training, upon notice, on 21 September 2006:

(1) What is the Government’s response to the recent Organisation for Economic Co-operation and Development (OECD) report that Australia spends less on preschool education than the rest of the industrialised world and that its kindergarten and preschool teachers are among the least-trained and worst-paid.

(2) Does the Government plan to work with state governments to ensure national standards for preschool education; if not, why not.

(3) What is the level of Commonwealth funding for preschool education, and will this funding be increased in response to the OECD report.

Senator Vanstone—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) State and Territory governments have responsibility for the delivery of preschool education and, therefore, determine their levels of expenditure on preschool education and set teacher awards.

(2) The Australian Government is working with State and Territory governments on the development of a National Agenda for Early Childhood which will provide an evidence-based framework for a national approach to early childhood with a focus on children aged 0-8 years, including the antenatal period. [The Department of Family and Community Services and Indigenous Affairs (FaCSIA) has primary carriage of the National Agenda.] In addition, early childhood education and care has been identified as one of the priority areas for the Australian Government and State and Territory governments under COAG.

(3) The Australian Government provides supplementary funding to both government and non-government preschools to improve outcomes for young Indigenous children. Expenditure is targeted through programmes under the Indigenous Education (Targeted Assistance) Act 2000. In 2006, this funding is estimated to be over $12 million.

Import Permits
(Question No. 2506)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 26 September 2006:

(1) With reference to the answer to part 2 (b) of question on notice no. 2040 (Senate Hansard 17 August 2006, p. 147), can the Minister confirm that the Australian Quarantine and Inspection Service (AQIS) is not able to access any information relating to the number of applications received since January 2002 for a permit to import marine worms into Australia.

(2) Have all files relating to the above import applications been destroyed; if so, who made the decision to destroy the files; if not, where are the files currently held.

(3) With reference to the answer to part 3 (d) of question on notice no. 2040, can the Minister confirm that AQIS does not hold information on: (a) the number of shipments of marine worms entering Australia on import permits; and (b) when those shipments were cleared by AQIS.
(4) Have all files relating to the above imports been destroyed; if so, who made the decision to destroy the files; if not where are the files currently held.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The information is not easily accessible and it would require a search of all the files held by the Biologicals Unit dating back to January 2002. It is considered to be an unreasonable administrative burden to attempt to access the information requested.

(2) No. The files are held in AQIS archives.

(3) (a) and (b) No. The information is not readily available as it would require a comprehensive search and interpretation of AQIS’s entry data base dating back to January 2002. It is considered to be an unreasonable administrative burden to attempt to access the information requested.

(4) No. The files are held in AQIS archives.

Import Permits

(Question No. 2507)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 26 September 2006:

With reference to the answer to part (1) of question on notice no. 2045 (Senate Hansard, 17 August 2006, p. 148)

(1) Can the Minister confirm that the Biological Unit within the Australian Quarantine and Inspection Service (AQIS) has always had standard procedures and practices for processing applications for import permits.

(2) Can the Minister confirm that the report Compensation for detriment caused by defective administration claim by Marnic World Wide Pty Ltd states that, prior to March or April 2003, AQIS usually sought advice from Biosecurity Australia (BA) informally by way of a telephone call, email or a visit to the relevant BA officer’s desk.

(3) Prior to March 2003, did the standard procedures and practices include telephone, e-mail or personal contact: (a) if so: (i) how were the details of both telephone conversations and personal contact recorded, and (ii) where are these records held; and (b) if not, what was the basis for the answer to question on notice no. 2045.

(4) If telephone, e-mail or personal contact were not part of the standard procedures and practices for processing applications for import permits, do the findings contained in the report Compensation for detriment caused by defective administration claim by Marnic World Wide Pty Ltd identify ongoing breaches of the standard procedures and practices for processing applications for import permits by AQIS officers.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) Yes.

(2) No. The question misquotes the report.

(3) (a) and (b) No. The written procedures for processing applications for import permits did not include specific instructions for dealing with Biosecurity Australia and clients. However when dealing with permit applications Biologicals Unit practice would have included exchanging information with Biosecurity Australia by telephone call, email or personal contact. These exchanges would usually be recorded in writing, filed and held in AQIS archives. Additional written work instructions for exchange of information with clients and Biosecurity Australia were commenced in
May 2004. These work instructions provided clear guidance on formalised communications with Biosecurity Australia and clients.

(4) No. See (3)

**Import Permits**

**(Question No. 2509)**

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 26 September 2006:

(1) Can the Minister confirm that, on 25 July 2003 Marnic World Wide Pty Ltd (Marnic) sought a change to the list of competent authorities contained in its import permit 200307292.

(2) Did Marnic seek to add the Indonesia Trade and Industry Department to the above list.

(3) Can the Minister confirm that, at the time of the above request, the only Indonesian agency on the Biosecurity Australia approved list was the Ministry of Marine Affairs and Fisheries – Laboratory of Quality Control and Fish Inspection.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) No. There are no competent authorities listed in this import permit.

(2) In August 2003 AQIS amended Marnic’s permit 200307292 to include a number of competent authorities from a number of countries including The Republic of Indonesia, Foreign Trade Department.

(3) No. At the time of the amendment request in August 2003 there were two listed competent authorities for Indonesia. The Ministry of Marine Affairs and Fisheries – Laboratory of Quality Control and Fish Inspection and The Republic of Indonesia, Ministry of Agriculture Centre for Agriculture Quarantine.

**Import Permits**

**(Question No. 2510)**

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 26 September 2006:

With reference to the answer to question on notice no. 2044 (Senate Hansard, 17 August 2006, p 148):

(1) When in April 2004 did the Biological Unit of the Australian Quarantine and Inspection Service commence the development of additional work instructions for: (a) application assessments; and (b) the exchange of information with: (i) clients, and (ii) Biosecurity Australia.

(2) (a) When were the above work instructions completed; and (b) when did they take effect.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) (b) The Biologicals Unit is unable to provide an exact date.

(2) (a) and (b) Work instructions for the assessment of all commodities were completed in October 2004 and were progressively implemented between May 2004 and Oct 2004. Communication and Correspondence Procedures and General Procedures documents including formalising the exchange of information with clients and Biosecurity Australia were completed and implemented in May 2004.
Import Permits  
(Question No. 2511)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 26 September 2006:

With reference to evidence given by the Australian Quarantine and Inspection Service (AQIS) to the Rural and Regional Affairs and Transport Legislation Committee on 25 May 2006 (Committee Hansard, p. 44) relating to import permits and the statement that ‘We would ask Biosecurity Australia for advice on that. I think we are moving to a much more formal system for managing the form of request, but it would have always been in writing.’:

(1) When did the Minister become aware that this claim is contradicted in the report Compensation for detriment caused by defective administration claim by Marnic World Wide Pty Ltd which states that prior to March or April 2003, AQIS usually sought advice from Biosecurity Australia (BA) informally by telephone, e-mail or a visit to the relevant BA officer’s desk.

(2) Which of the above two claims is correct.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) There is no contradiction. The report deals with the Investigating Officer’s understanding of usual practices at that time in AQIS for consulting with BA. The Hansard evidence refers to the expectations of senior AQIS executive that advice from BA, no matter how it was gathered, should have been written down and filed.

(2) See (1).

Ethanol  
(Question No. 2514)

Senator Allison asked the Minister representing the Minister for Local Government, Territories and Roads, upon notice, on 27 September 2006:

(1) Is the Minister aware that Swedish automanufacturer, Saab, produces the Saab 9-5 2.0t Biopower which in less than a year, has become the top selling environmentally friendly car in the market and runs on 85 per cent ethanol/15 per cent petrol, 100 per cent ethanol, 100 per cent petrol or any blended combination.

(2) Is the Minister aware that Saab Australia will shortly be running a demonstration fleet of 9-5 2.0t Biopower vehicles in Australia.

(3) Given the current prohibition on ethanol/petrol blends of higher than 10 per cent ethanol, will the Government: (a) provide an exemption for these demonstration fleet vehicles; and (b) change the legislation to allow 85 per cent/15 per cent ethanol/petrol blends.

Senator Ian Campbell—The Minister for Local Government, Territories and Roads has provided the following answer to the honourable senator’s question:

(1) Yes.

(2) Yes.

(3) (a) and (b) The supply of an 85 per cent/15 per cent ethanol/petrol blend for a trial of this kind would not require an exemption under the Fuel Quality Standards Act 2000 provided that the fuel was not being represented as petrol.
Gifted and Talented Children
(Question No. 2517)

Senator Allison asked the Minister representing the Minister for Education, Science and Training, upon notice, on 27 September 2006:

With reference to the $3.2 million in funding to support the education of gifted and talented students announced in August 2004 by the then Minister for Education, Science and Training in response to the 2001 Senate Employment, Workplace Relations, Small Business and Education References Committee report ‘The Education of Gifted Children’:

(1) What is the timeline for the allocation of the funding.

(2) How much of the funding has been spent.

(3) Can details be provide on: (a) which facilities received the grants of $10 000 each to assist teacher education faculties to acquire expertise in gifted education; (b) the series of workshops for parents of gifted children in rural and remote areas that were funded under this initiative; and (c) how the $2.3 million for the professional development of teachers was allocated.

(4) Has any evaluation of these activities been conducted; if so, can a copy of any reports be provided; if not, is any evaluation planned.

(5) Will more funding be made available; if so: (a) when; and (b) how much.

Senator Vanstone—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) Funding allocation was between 2004-2005 and 2005-2006.

(2) Total funding will be expended by the end of 2006.

(3) (a) Which facilities received grants of $10,000 each to assist teacher education faculties to acquire expertise in gifted education;

    The faculties are:
    Charles Sturt University
    Batchelor Institute of Indigenous Tertiary Education
    Deakin University
    Southern Cross University
    University of Notre Dame Australia
    Victoria University
    James Cook University
    University of Sydney
    University of Southern Queensland
    University of Western Australia
    University of Melbourne
    LaTrobe University
    Charles Darwin University
    University of Tasmania
    University of South Australia
(b) Funding of $550,000 for the delivery of over 50 workshops (including 4 on-line workshops) for parents of gifted children in regional areas. All workshops will be held by the end of 2006. The workshop locations are:

<table>
<thead>
<tr>
<th>Location</th>
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<tbody>
<tr>
<td>Albany</td>
<td>Katherine</td>
<td>Port Augusta</td>
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<tr>
<td>Albury/Wodonga</td>
<td>Karratha</td>
<td>Port Macquarie</td>
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<td>Alice Springs</td>
<td>Kununurra</td>
<td>Rockhampton</td>
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<td>Bairnsdale</td>
<td>Launceston</td>
<td>Roma</td>
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<td>Bourke</td>
<td>Lismore</td>
<td>Roxby Downs</td>
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<td>Bunbury</td>
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<td>Burnie</td>
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<td>Broken Hill</td>
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<td>Broome</td>
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<td>Townsville</td>
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<td>Cairns</td>
<td>Mt Gambier</td>
<td>Streaky Bay</td>
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<td>Dubbo</td>
<td>Mt Isa</td>
<td>Swan Hill</td>
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<td>Geraldton</td>
<td>Narrabri</td>
<td>Wagga Wagga</td>
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<td>Griffith</td>
<td>Newman</td>
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<td>Horsham</td>
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<td>Hounville</td>
<td>Nowra</td>
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<td>Kalgoorie</td>
<td>Palmerston</td>
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</tbody>
</table>

(c) $2.3 million was allocated to develop the professional learning package which has been distributed to all schools.

(4) An evaluation of the workshops is planned for 2007.

(5) Funding of $200,000 has been allocated to commence in 2007, for the provision of further professional development in Gifted Education to deliver training to teachers over 18 months from early 2007 to end 2008 based on the Australian Government’s Extension and Specialisation Modules. In addition, the establishment of a National Centre of Excellence in Gifted Education is being investigated.

**Australian Quarantine and Inspection Service: Advertising**

*(Question No. 2518)*

**Senator O’Brien** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 28 September 2006:

(1) In which newspapers was the Australian Quarantine and Inspection Service (AQIS) advertisement ‘Crikey! We’ll miss you, Steve’ published on 20 September 2006.

(2) What was the cost of publication, by newspaper.

(3) What was the total cost of publication.

(4) What costs were associated with the production of the advertisement.

(5) Did AQIS, or the Minister, consider making a donation to a conservation trust associated with the late Mr Steve Irwin in lieu of the expensive published tribute.

**Senator Abetz**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The advertisement appeared in the following newspapers on 20 September 2006:

- The Australian
- Canberra Times
- Sydney Morning Herald
Melbourne Age  
Brisbane Courier Mail  
Adelaide Advertiser  
NT News  
Hobart Mercury  
West Australian  

(2) Cost of publication, by newspaper (all costs are GST exclusive):

- The Australian $7,107.10
- Canberra Times $1,757.20
- Sydney Morning Herald $8,092.00
- Melbourne Age $5,771.22
- Brisbane Courier Mail $5,269.88
- Adelaide Advertiser $4,174.63
- NT News $1,360.13
- Hobart Mercury $1,534.00
- West Australian $4,582.50

(3) $39,648.66 (GST exclusive).

(4) $2,911.00 (GST exclusive).

(5) I consider the placement of the tribute advertisements appropriate given the importance of the role played by Mr Irwin in his role for Quarantine Matters!

*Peaceful Pill Handbook*  
*(Question No. 2520)*

*Senator Allison* asked the Minister for Justice and Customs, upon notice, on 29 September 2006:

(1) Can the Minister confirm that 45 copies of the *Peaceful Pill Handbook* authored by Dr Philip Nitschke were seized by the Australian Customs Service at Brisbane Airport on 19 September 2006.

(2) What was the reason for the seizure.

(3) If, as reported, a reason is that the book includes the incitement to suicide, can the offending incitement(s) be identified, including page references.

(4) Is it the case that the books will be destroyed in 21 days if no appeal is made; if so: (a) what is the reason for this timeframe; and (b) can an extension be applied for, if this proves too short a time period in which to prepare an appeal.

*Senator Ellison*—The answer to the honourable senator’s question is as follows:

(1) On 19 September 2006 Customs seized forty-five (45) books titled ‘*The Peaceful Pill Handbook*’ authored by Dr Phillip Nitschke and Dr Fiona Stewart. The handbooks were in the possession of a passenger arriving at Brisbane International Airport.

(2) Customs examined the handbooks and considered they breached Regulation 3AA of the Customs (Prohibited Imports) Regulations 1956. Regulation 3AA prohibits the import of devices and documents relating to suicide. The following is an extract from the regulations;

3AA Importation of devices and documents relating to suicide  

(1) The importation of a device designed or customised to be used by a person to commit suicide, or to be used by a person to assist another person to commit suicide, is prohibited absolutely.
(2) The importation of the following documents is prohibited absolutely:
   (a) a document that promotes the use of a device mentioned in subregulation (1);
   (b) a document that counsels or incites a person to commit suicide using one of those devices;
   (c) a document that instructs a person how to commit suicide using one of those devices.

(3) The handbooks were seized pursuant to subsection 3AA(2)(c) as they are considered to instruct a person on how to commit suicide using a suicide device. The provisions under the Customs Act 1901 that govern the seizure process for prohibited imports, also provide an opportunity for the owner to obtain an independent assessment of the goods before a magistrate, should the owner dispute Customs assessment. Since the matter is yet to be finalised between Customs and the owner it would be inappropriate for me to provide further comment on the specific details of this matter at this time.

(4) There are provisions under the Customs Act 1901 that govern the seizure process for prohibited imports and exports. The Act provides:
   - A seizure notice must be served on the owner within seven (7) days of seizure of the prohibited goods. A letter from Customs accompanies this notice.
   - The owner may, within thirty (30) days from the date of the service of the notice, lodge a claim for the return of the seized goods. The claim must be on an approved form and the owner must provide their grounds for the return of the goods.
   - If a claim is not made within this thirty (30) day period, the goods will be condemned as forfeited to the Crown.
   - If a claim is lodged and, after considering the claim, the goods are still suspected by Customs to be prohibited imports then Customs must, within 120 days after the claim is made, commence proceedings in court to obtain a declaration that the goods are special forfeited goods and an order to condemn them as forfeited to the Crown.
   - Goods forfeited to the Crown are generally destroyed after the seizure and condemnation processes are finalised.

Ms Ingrid Betancourt
(Question No. 2544)

Senator Bob Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 4 October 2006:
With reference to the kidnapped Colombian Greens Senator Ingrid Betancourt:
(1) What is the latest evidence that she is alive.
(2) Has any recent contact been made with either Ms Betancourt, her companion Ms Rojas or their captors.
(3) What effort is the Colombian Government planning to effect their rescue.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:
(1) While we have no recent definitive evidence, in a videotape shown on Colombian television on 24 September 2006, others kidnapped by the FARC (Revolutionary Armed Forces of Colombia) said that Ms Betancourt was alive.
(2) On 2 October 2006 the Colombian Government announced that, through intermediaries, it was in contact with the FARC in relation to kidnap victims held by them. On 20 October, the Government further announced that it was suspending this contact following a car bombing in Bogota on 19 October attributed to the FARC.
(3) The Colombian Government had announced on 27 September 2006 that it was willing to withdraw its troops from an area in the south of the country to facilitate an exchange of kidnap victims held by the FARC for captured guerrillas held by the Government. It was not clear whether Ms Betancourt or Ms Rojas would be included if any such exchange took place. In its announcement on 20 October following the car bombing, the Government indicated that, rather than through negotiation, it would look to effect release of the kidnap victims through military means.

**Macquarie Bank**

(Question No. 2551)

Senator Bob Brown asked the Minister representing the Minister for Education, Science and Training, upon notice, on 10 October 2006:

(1) Can the Minister make available, or is the Minister empowered to obtain a record of the money donated to, or otherwise invested in the University of Sydney by Macquarie Bank since 1996 (or any recent year); if so, can details of the record be provided.

(2) Is information relating to Macquarie Bank’s investments in other Australian universities since 1996 available; if so, can the information be provided; if not, why not.

Senator Vanstone—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) The information is not available. Details of individual donations and investments in the University are not required to be reported to the Department of Education, Science and Training.

Under the Higher Education Support Act 2003, the Minister may require a higher education provider to provide statistical, financial and other information that the Minister requires in respect of the provision of higher education and compliance by the provider with the requirements of the Act. There is no power under the Act for the Minister to compel a provider to provide specific information.

(2) The requested information is not available and cannot be provided for the reasons stated in the answer to (1).

**North Korea**

(Question No. 2560)

Senator Bob Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 16 October 2006:

What is the source of the: (a) technology; and (b) uranium, used by North Korea to develop its nuclear weapons program.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:

(a) North Korea’s nuclear research and development program began in the 1950s with assistance and training from the Soviet Union. However, from the mid-1960s onward North Korea developed indigenous nuclear capabilities. The extent to which North Korea has relied upon non-indigenous technology to develop its nuclear weapons program is unclear.

Public sources indicate that the test conducted on 9 October was a plutonium-based device. The most important facilities for North Korea’s plutonium-based weapons program are the 5MW(e) production reactor used to produce weapon grade plutonium, and the reprocessing plant used to extract plutonium from the reactor’s irradiated fuel. Both facilities were built by North Korea. According to the International Institute for Strategic Studies publication “North Korea’s Nuclear
Weapons Programme”, North Korea’s reactor technology was based on 1950s technology in the public domain and “relatively straightforward to build and operate.”

The other possible route to nuclear weapons is to use highly enriched uranium. North Korea has a suspected uranium enrichment program, the scale, operational status and location of which are unknown.

(b) North Korea has uranium resources sufficient to support its nuclear weapon program. It operates uranium mines and has an ore concentration capability. North Korea also has a fuel fabrication plant to produce the fuel needed for its plutonium production reactor.

Organ Harvesting
(Question No. 2562)

Senator Bob Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 17 October 2006:

(1) With reference to the British Broadcasting Corporation news report on 9 October 2006, that in China, organs from death row inmates are transplanted into foreigners: (a) is it true that liver transplants are available for $94 000; (b) did a senior Chinese surgeon confirm that an executed prisoner could be the donor; (c) was an organ surplus caused by the increase of executions ahead of China’s National Day on 1 October 2006; and (d) did China’s foreign ministry say that organs from prisoners were used.

(2) Will the Government prevent Australians from seeking organ transplants in China unless, and until the potential for prisoner organ ‘harvesting’ is demonstrably eliminated.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:

(1) (a) I am aware of reports that say liver transplants are available in China for a range of costs.
(b) I understand from the BBC report that a senior surgeon confirmed that an executed prisoner could be the donor.
(c) I am aware of the claims in the BBC report, but cannot confirm whether there was an increase of executions ahead of China’s National Day on 1 October 2006.
(d) I understand from media reports that a Chinese foreign ministry spokesperson said in March that organs from prisoners were used, but only with their consent. The Chinese Ministry of Health said in April that a small number of organs came from executed prisoners who had voluntarily signed donation consent forms.

(2) The Government is not in a position to prevent Australians from travelling to China (or elsewhere) for organ transplants. There are no laws against this practice, and Australians are not required to advise the Government of the specific reasons for their private overseas travel.

Royal Australian Navy Vessels
(Question No. 2581)

Senator Ludwig asked the Minister representing the Minister for Defence, upon notice, on 18 October 2006:

With reference to each Royal Australian Navy vessel based at a port in northern Australia during the 2005-06 financial year that patrolled water between the Australian coastline and the Indonesian archipelago:

(1) What was the name of the naval vessel.

(2) At which port was the naval vessel based.
(3) What amount of time did the naval vessel spend patrolling those particular water’s during that year (expressed in days).

(4) How many illegal fishing vessels did the naval vessel: (a) locate; (b) place under administrative seizure; and (c) apprehend.

Senator Ian Campbell—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) and (2) HMA Ships Bendigo, Gladstone, Ipswich, Townsville and Whyalla were based at HMAS Cairns. HMA Ships Dubbo, Geraldton, Bunbury, Gawler, Geelong, Fremantle, Launceston, Wollongong, Cessnock, Warrnambool, Armidale, Larrakia and Bathurst were based at HMAS Coonawarra (Darwin).

(3) Royal Australian Navy patrol boats spent 1,776 days patrolling northern Australian waters.

(4) (a) 295, located and boarded;

   (b) 99, placed under administrative seizure or legislative forfeiture; and

   (c) 159, apprehended.

Timber Communities Australia

(Question No. 2589)

Senator Siewert asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 20 October 2006:

For each of the financial years 2000-01 to 2006-07 to date, has the department provided funding to Timber Communities Australia; if so:

(a) how much money was spent on each grant in that year;

(b) what was the purpose of each grant;

(c) which program area administered the grants; and

(d) were the grants evaluated against specific program objectives.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

The Department has provided various types of funding to Timber Communities Australia (TCA) in the years in question. Only three ‘grants’ were funded, however there were also amounts of funding provided to TCA that relate to sponsorship of TCA annual conferences. I have supplied details of both these items, for your information.

All amounts below are inclusive of GST.

<table>
<thead>
<tr>
<th>Year</th>
<th>Grant Amount</th>
<th>Conference Amount</th>
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<tbody>
<tr>
<td>2000-01</td>
<td>$77,000</td>
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<tr>
<td>2006-07</td>
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Nil
(b) **2000-01** Grant to conduct market research related to the Regional Forest Agreements (RFA) process.
   2001-02
   2002-03 Young peoples rural network grant, to assist young people in timber communities to gain the knowledge and skills necessary to explain forest industries issues in public forums, the media and to government.
   2003-04
   2004-05
   2005-06 ‘Grant for Forest Communities’ (Western Australia), to showcase Western Australian forest products and to create an interactive educational display.
   2006-07

(c) **2000-01** Forest Industries - Industry Development
   2001-02
   2002-03 Rural Policy and Innovation (RPI)
   2003-04
   2004-05
   2005-06 Forest Industries - Forest Industry Structural Adjustment (FISAP)
   2006-07

(d) **2000-01** Yes
   2001-02
   2002-03 Yes
   2003-04
   2004-05
   2005-06 Yes
   2006-07