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**SITTING DAYS—2007**

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**RADIO BROADCASTS**

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

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

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

Nationals Whip—Senator Fiona Joy Nash

Opposition Whips—Senators George Campbell, Linda Jean Kirk and Ruth Stephanie Webber

Australian Democrats Whip—Senator Andrew John Julian Bartlett

Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
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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 Citizenship
Minister for Education, Science and Training and
Minister Assisting the Prime Minister for
Women’s Issues
Minister for Families, Community Services and
Indigenous Affairs and Minister Assisting the
Prime Minister for Indigenous Affairs
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Rela-
tions and Minister Assisting the Prime Minister
for the Public Service
Minister for Communications, Information Tech-
nology and the Arts and Deputy Leader of the
Government in the Senate
Minister for the Environment and Water Re-
sources
Minister for Human Services

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
The Hon. Kevin James Andrews MP
The Hon. Julie Isabel Bishop MP
The Hon. Malcolm Thomas Brough MP
The Hon. Ian Elgin Macfarlane MP
The Hon. Joseph Benedict Hockey MP
Senator the Hon. Helen Lloyd Coonan
The Hon. Malcolm Bligh Turnbull MP
Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)
**Howard Ministry—continued**

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<td>Senator the Hon. Christopher Martin Ellison</td>
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<td>Minister for Fisheries, Forestry and Conservation</td>
<td>Senator the Hon. Eric Abetz</td>
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<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. George Henry Brandis SC</td>
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<td>Minister for Community Services</td>
<td>Senator the Hon. Nigel Gregory Scullion</td>
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<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<tr>
<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
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<td>Minister for Vocational and Further Education</td>
<td>The Hon. Andrew John Robb MP</td>
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<tr>
<td>Minister for Ageing</td>
<td>Senator the Hon. Santo Santoro</td>
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<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
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<td>Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<tr>
<td>Assistant Minister for Health and Ageing</td>
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<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
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<td>The Hon. Sussan Penelope L Ley MP</td>
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<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
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SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House
Shadow Minister for Homeland Security and Shadow Minister for Territories
Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy
Shadow Minister for Immigration, Integration and Citizenship
Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research
Shadow Minister for Trade and Regional Development
Shadow Minister for Service Economy, Small Business and Independent Contractors
Shadow Minister for Multicultural Affairs, Urban Development and Affairs
Shadow Minister for Transport, Roads and Shadow Minister for Tourism
Shadow Minister for Defence
Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts
Shadow Minister for Veterans’ Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State
Shadow Minister for Justice and Customs and Manager of Opposition Business in the Senate
Shadow Minister for Sport, Recreation and Health Promotion and Shadow Minister for Local Government
Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation
Shadow Minister for Foreign Affairs
Shadow Minister for Ageing, Disabilities and Carers

Kevin Michael Rudd MP
Julia Eileen Gillard MP
Senator Christopher Vaughan Evans
Senator Stephen Michael Conroy
Anthony Norman Albanese MP
The Hon. Archibald Ronald Bevis MP
Christopher Eyles Bowen MP
Anthony Stephen Burke MP
Senator Kim John Carr
The Hon. Simon Findlay Crean MP
Craig Anthony Emerson MP
Laurence Donald Thomas Ferguson MP
Martin John Ferguson MP
Joel Andrew Fitzgibbon MP
Peter Robert Garrett MP
Alan Peter Griffin MP
Senator Joseph William Ludwig
Senator Kate Alexandra Lundy
Jennifer Louise Macklin MP
Robert Bruce McClelland MP
Senator Jan Elizabeth McLucas
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<td>Shadow Minister for Federal/State Relations and Federal/State Relations</td>
<td>Robert Francis McMullan MP</td>
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<td>Shadow Minister for Human Services, Housing, Youth and Women</td>
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Tuesday, 27 February 2007

The President (Senator the Hon. Paul Calvert) took the chair at 12.30 pm and read prayers.

BUSINESS

Consideration of Legislation

Senator Ellison (Western Australia—Manager of Government Business in the Senate) (12.31 pm)—I move:

(1) 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:

- ACIS Administration Amendment (Unearned Credit Liability) Bill 2007
- Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007
- Broadcasting Legislation Amendment Bill 2007
- Family Law (Divorce Fees Validation) Bill 2007
- Migration Amendment (Maritime Crew) Bill 2007
- Superannuation Legislation Amendment (Simplification) Bill 2007
- Income Tax Amendment Bill 2007
- Income Tax (Former Complying Superannuation Funds) Amendment Bill 2007
- Income Tax (Former Non-resident Superannuation Funds) Amendment Bill 2007
- Income Tax Rates Amendment (Superannuation) Bill 2007

(2) That, after the motion for the second reading of the Superannuation Legislation Amendment (Simplification) Bill 2007 and four related bills has been moved, they may be taken together for their remaining stages with the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and five related bills.

Question agreed to.

TAX LAWS AMENDMENT (SIMPLIFIED SUPERANNUATION) BILL 2006
SUPERANNUATION (EXCESS CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
SUPERANNUATION (EXCESS NON-CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
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INCOME TAX (FORMER NON-RESIDENT SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX RATES AMENDMENT (SUPERANNUATION) BILL 2007

Second Reading

Debate resumed from 26 February, on motion by Senator Scullion:

That these bills be now read a second time.

Senator Sherry (Tasmania) (12.31 pm)—The Senate is considering a package of some 11 bills—the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and 10 others—to implement important changes to Australia’s superannuation system. The
earlier motion was to provide exemption from what is known as the ‘cut-off’ to allow these important pieces of legislation to be dealt with expeditiously—because they are important pieces of legislation. I indicate, on behalf of the Labor Party, as the shadow minister responsible for superannuation matters that Labor will be supporting these bills.

We support them for a number of reasons. Firstly, Labor strongly supports superannuation. We have championed superannuation for some two decades and the reforms of the Labor government in the 1980s and 1990s were some of the most profound economic reforms in Australia’s history. Compulsory superannuation, and I emphasise the word ‘compulsory’, is still contributing to the economic health of our nation and the impact is compounding—just like the retirement balances of almost all employees.

In addition—and this has not been remarked upon enough in this public debate about superannuation—Labor’s superannuation guarantee has been one of the greatest fairness measures for the distribution of wealth in this country that has been seen since the introduction of a decent industrial relations system 100 years ago. If we, Labor, had not made superannuation compulsory and comprehensive, more than half of today’s workforce—low-middle income, casual, part-time, contract and women workers, in sectors such as hospitality, retail, transport and manufacturing: some 92 per cent of the workforce—would not have superannuation today. It would have remained the preserve of the higher paid, of executives in the public sector, rather than becoming the great national system we now enjoy.

Secondly, we also support this package because it includes measures which will help simplify a very complex system. This government has been unable to resist unwieldy, complex regulation. We have seen it in taxation, we have seen it in financial services reform and we have seen it in superannuation. Red tape and enormous compliance costs, particularly in the area of financial services, have been the hallmark of the Howard Liberal government. So anything that reduces the load that they in part are responsible for is welcomed.

Thirdly, in this area of economic policy, we must plan for the long term. And, with bipartisan support, these reforms will maintain stability and certainty around an area of long-term public policy, the environment for savings and investment, and retirement income planning.

Fourthly, Australia can now boast of one of the strongest funds management industries in the world. We now have the fourth largest volume of savings under management per capita, and we are growing very strongly. Australia—and I can say this proudly—is a world leader in many aspects of financial services because of our long-term strategy of superannuation. These are high value added industries, paying higher than average salaries and enmeshing Australia with the world’s leading economies. This will further underpin our prosperity throughout this century.

Finally, these changes will improve the retirement incomes of many Australians. For the group of Australians I referred to earlier, the majority low-middle income earners, the superannuation savings they see when they read their annual superannuation statement today—although the average balance is still modest at about $19,500—are down to Labor’s introduction of compulsory superannuation. If it had been left to the approach of the current Liberal government, who opposed that fundamental reform, the current balance on superannuation statements for the majority of Australian workers would read ‘zero’.
Despite the changes in this package, Labor believes that fundamental superannuation reform challenges remain, and I will touch on those briefly later. I will put some issues on superannuation in perspective. The primary purpose of the Australian superannuation system is to allow Australians to provide a comfortable standard of living for themselves in retirement. It is fundamentally an add-on to the age pension for most Australians. And a strong superannuation savings system has several economic consequences.

Firstly, by encouraging people to save for their own retirement, an effective superannuation system will increase retirement incomes, thereby improving living standards in retirement. Secondly, in the context of future budgets, these reforms will take off some of the pressures that will be generated by the ageing of our population. And I note the personal assurances of the Treasurer, Mr Costello, that this will occur as a consequence of this package. In this context, Labor would like to see the long-term impact of revenues modelled in the Intergenerational report. We would certainly like to see evidence that would underline the usefulness and fiscal responsibility of this particular package.

As Australia’s population ages, a super system that provides adequate incomes in retirement will ease fiscal pressure and ensure we continue to deliver budget surpluses and lock in our economic prosperity. That is consistent with Labor’s budget rules, the first of which is that Labor will keep the budget in surplus on average over the course of the economic cycle. Secondly, a large and growing pool of superannuation savings has supported the growth of Australia’s equity markets, boosting returns for investors both through superannuation and through other investment vehicles. The total pool of superannuation savings under management is large and growing. APRA reported in September last year that it had reached $945.6 billion, and on one projection it will reach $1.8 trillion by 2011 and $3.3 trillion by 2017.

There are important economic consequences which flow from this enormous accumulation of savings. As Australians’ superannuation assets continue to grow—and a brief note of caution with one year in seven on average being a negative rate of return in a defined contribution system—Australian superannuation funds are investing directly in overseas assets and through foreign debt and equity markets. In some ways it is disappointing that some of the funds of Australian workers’ savings go offshore for want of Australian projects to invest in, but this is necessary from a diversification and maximising rate of return perspective. It also demonstrates Australia’s financial maturity and economic power as we invest globally to secure future prosperity.

The fact that superannuation funds today hold assets equivalent to 95 per cent of our gross domestic product—that is, our gross economic output—proves that Labor is the real party of wealth creation. It is fundamentally an outcome of Labor’s introduction of compulsion some 20 years ago. It was only Labor that had the foresight to introduce a superannuation system that would underpin the retirement incomes of Australian families and provide a valued source of capital for Australian business. Along with the micro-economic reforms of the 1980s and 1990s, superannuation was one reform that turbocharged the Australian economy and led to the prosperity we enjoy today. More than anything else, we must recapture that reforming zeal and embrace a new productivity agenda. Labor introduced compulsory superannuation in exchange for wage restraint as part of the historic accord with Australian workers and, in the process, built superannuation into the remuneration package of al-
most every Australian employee. It is a wealth creation legacy that Labor is proud of.

At a time when households face the burden of the highest ratio of interest payments to household income in Australian history, the contribution of superannuation savings to Australian household balance sheets is very welcome. As I said earlier, it is a fundamental vehicle not just for fairness but for spreading the prosperity of economic reform throughout the whole community.

Australia’s retirement income system is based on three pillars: the government aged pension, indexed to male total average weekly earnings—means tested; the compulsory nine per cent superannuation guarantee; and additional voluntary superannuation contributions underwritten by a range of incentives. These pillars were, in the main, introduced by Labor governments. They were widely recognised internationally as best practice—a fair, affordable, sustainable system for ensuring dignity in retirement and underwriting our economic performance. I watch with amusement as the Treasurer, Mr Costello, desperate to find an economic reform legacy, claims authorship of the superannuation system. The inescapable fact is that he opposed the system. He has called these changes:

... the biggest reform to superannuation Australia has ever seen.

I sat in this place back in 1992 when the then Liberal opposition, including the current Treasurer and the current Prime Minister in the other place, vociferously opposed compulsory superannuation in this country. They voted against it. The Liberal Party’s record on superannuation has been very poor to date. They opposed the introduction of pension means testing, they opposed the initial three per cent compulsory superannuation in 1987 and they opposed the nine per cent superannuation guarantee bills of 1992. Their defeat would have been disastrous both for individuals and for the economy. As I said, both the Treasurer and the Prime Minister vociferously opposed compulsory superannuation and voted against it in the other place.

We have seen a very erratic display with respect to superannuation policies. We can recall the then Liberal opposition’s 1995 pledge to maintain the three per cent government co-contribution system, taking contributions to 15 per cent. They dropped that in 1997. They introduced the failed savings rebate, which only operated for six weeks. The Treasurer also introduced a so-called superannuation surcharge, a tax by another description, on higher income contributions—another broken election promise—and the Treasurer deemed superannuation holdings an asset for social security purposes. Again, that measure was dropped a few years later. They are just a few examples of the Treasurer’s rather erratic policy approach to superannuation.

Despite all that, Labor has had to put up with the Assistant Treasurer’s rather bizarre fortnightly press releases designed to goad Labor into supporting what is a massive set of legislative changes without even being given the ability to see the bills. We have now seen them and have come to the considered conclusion that we will support them. There was a fundamental lack of information provided not just to us, which is par for this government, but also to the public, particularly when it came to the costing of some of these policies. It is still quite scant in providing a breakdown of costing estimates. I am informed the government is resisting a freedom of information application by one of our newspapers for long-term forecasts of superannuation tax revenue. If the Treasurer is so keen to prove his economic management credentials and is confident that his reforms
are warranted, there is no reason for him to refuse access to information.

The package contains some important changes. The primary change is that from 1 July 2007 superannuation benefits paid from a taxed fund, either as a lump sum or an income stream such as a pension, will be tax free for people aged 60 and over. Benefits paid from an untaxed scheme, mainly affecting public servants, will still be taxed; however, at a lower rate than they are now. For people aged 60 and over, the application of a 10 per cent rebate will do that.

Reasonable benefit limits will be abolished. Individuals will have greater flexibility as to how and when to draw down their superannuation in retirement. Under the current rules, funds were forced to pay out the benefits of members who had reached age 65 and who did not meet a work test. Under these changes, superannuation funds are no longer forced to pay benefits.

The concessional tax treatment of superannuation contributions and earnings will remain. Age based restrictions limiting tax deductibility concessional contributions will be replaced with a new set of simpler rules. The self-employed will be able to claim a full deduction for their contributions as well as being eligible for the government co-contribution for after-tax contributions. The tax exemption for invalidity payments will also be extended to the self-employed. The ability to make deductible superannuation contributions is extended to age 75. It will be somewhat easier to find and transfer so-called lost superannuation between funds.

To increase further the incentives to save, from 20 September 2007 the pension assets test taper rate will be halved to $1.50 per fortnight for every $1,000 of assets above the assets test free area. The superannuation preservation age will not change.

Let me turn to some of the impacts of the package. The total cost of the package is $7.2 billion over the next four years. The beneficiaries of the tax-free treatment will be those Australians who have or will have $136,000 indexed or more in super savings. For Australians with substantial retirement savings, this package will provide welcome additional retirement income. At present, neither exit tax nor, in most cases, income tax apply to individuals below that level of $136,000 in superannuation savings.

Research from the National Centre for Social and Economic Modelling shows that in 2004, for baby boomers aged between 45 and 60, the average male had $87,000 and the average female had just $35,000 in super savings, with median retirement savings of just $30,700 and $8,000 respectively. To add a dose of reality to this debate: the majority of baby boomers do not benefit from this package because they have relatively low levels of superannuation saving. Effectively, battlers retiring now or in the near future will receive little or no benefit from this particular package. That is not a reason to oppose the package; it is a reason for pointing out that a touch of reality is needed when looking at the impacts of this package. Of course those retiring in future, depending on their age, will receive varying levels of benefit from these measures. The measures in the package both expand and rationalise incentives for small business by applying the same rules and including them in the voluntary co-contribution scheme. Labor welcomes that. These changes will assist people in this vital and growing sector of our economy.

It should be noted that trying to get these costings from the Treasury officials was like extracting teeth. I do not blame the Treasury officials. They do their best but they have their political orders: ‘Don’t provide information to the public or to the opposition of the day about detailed costings.’ They have
their orders, and I understand that. Of the estimated $7.2 billion cost of the package, there will be a $4.2 billion direct input to superannuation over four years. That means the government is putting in just over $1 billion extra each year into super. Combine that with a further $1 billion each year from the existing voluntary co-contribution, and a total injection of some $2 billion a year—and that is welcome—is being provided by the government. The incentive approach is likely to see ongoing additional voluntary contributions of $2 billion to $3 billion a year. That is important in helping some Australians to improve their retirement incomes, but it hardly matches the Treasurer’s boast: ‘The biggest reform to superannuation that Australia has ever seen.’

The new flows to super are put starkly into the shade when they are compared to Labor’s compulsory nine per cent superannuation guarantee, which underwrites some $65 billion into superannuation every year. Credit for that achievement should be given to previous far-sighted and visionary reforms, which, I might say, were supported by the Democrats—and Senator Murray is in the chamber. They supported those reforms against the trenchant opposition of the now Liberal government. I think particular personal credit should be given to the vision and drive of the then Treasurer, and subsequently Prime Minister, Paul Keating, in this regard. The reforms laid a strong foundation in respect of our retirement income system and are recognised by the World Bank as global best practice.

The Senate Economics Committee unanimously identified a number of concerns. There is a tax increase in this package. It is quite a nasty tax increase for those to whom it will apply: a rate of 46.5 per cent on contributions—up from 15 per cent—where there is nonprovision of an employee’s tax file number. The Senate Economics Committee looked at this issue very carefully and considered that the exemption rate below which this new tax will not apply, of $1,000 a year, is too low. It represents an annual income of only $10,000. It should be set higher otherwise hundreds of thousands of battlers will face a higher tax rate, not a lower tax rate. That was a unanimous recommendation of the committee.

Labor are not proposing specific amendments to the package in the committee stage. We support the package. Our proposed second reading amendment notes the strong foundations laid by Labor governments in the context of compulsory superannuation, notes the positive nature of the measures, notes the unanimous concerns of the Senate Economics Committee and, I think, is a useful adjunct that should go on the record in terms of this debate. I should also indicate we will be supporting the second reading amendment that Senator Murray is to move in this regard as well. I move Labor’s second reading amendment:

At the end of the motion, add “but the Senate notes:

(a) that Labor governments laid the foundation for Australia’s modern superannuation system by introducing compulsory superannuation contributions;

(b) that, in supporting the bills, the measures will:

(i) improve the retirement incomes of many Australians,

(ii) enhance simplicity of the compulsory superannuation system, and

(iii) give certainty and stability in the critical public policy area of savings for retirement;

(c) notwithstanding support for the bills as a whole, the unanimous concern by the Senate Economics Legislative Committee in respect of:

(i) the tax increase from 15 per cent to 46.5 per cent of contributions where
an employer fails to provide an employee or member tax file number,
(ii) the treatment of Australian Defence Force disability pensions,
(iii) the disparity in income tax treatment of non-superannuation income for members aged 60 and above of ‘untaxed’ funds compared to members of other funds, and
(iv) the need for a subsequent amending bill before 30 June 2007 to address any issues that require further consultation;
(d) that both the Government’s own projections of new benefit lump sum and pension outcomes indicate a nil or very small improvement in retirement income for those with small retirement savings; and
(e) the need to develop and implement further policy to improve the retirement savings of middle- and low-income Australians”.

Senator MURRAY (Western Australia) (12.51 pm)—The Tax Laws Amendment (Simplified Superannuation) Bill 2006 and 10 related bills implement the coalition government’s simplified superannuation reforms announced in the 2006 budget. They are sweeping reforms with a potential to significantly affect over 10 million people, 1.3 million employers and more than 310,000 superannuation funds. The new system will apply from 1 July 2007.

As I have intimated, the purpose of this collection of related bills is to simplify what is presently an extraordinarily complex task—that of assessing one’s current and future superannuation savings and tax obligations. With this purpose in mind, the three legislative purposes that the government is seeking to achieve with these superannuation reforms can be summarised as follows: firstly, to simplify superannuation arrangements for retirees by simplifying and streamlining the underlying legislation so that it can be more easily understood and so that there is greater clarity regarding future income streams; secondly, to improve incentives to work and save; and, thirdly, to introduce greater flexibility in how superannuation savings can be drawn down in retirement.

Interestingly, the Democrats were onto the simplification issue long before the coalition. Former Democrats senator Michael Macklin remembers campaigning for simplification in the eighties, on behalf of the Democrats, with a scheme which did not provide any reduction of tax for moneys paid into a super scheme but for the earnings in such schemes to be tax free and for the payments out of that scheme to also be tax free. The proposed scheme that we are dealing with today goes some way towards Senator Macklin’s Democrats proposals. At that time, the Democrats were attacked by the Liberals, as well as by the Labor government, but did get support for the Democrats view from industry.

More specifically, these proposed measures address a number of more complex social and economic issues that the government has previously highlighted. This includes a forecast population imbalance by 2042, with more than half of the Australian population predicted to be aged over 55, according to the 2002 Intergenerational report, which is due to be replaced by the updated 2007 Intergenerational report. In light of these forecasts, these superannuation reforms also address the increasing fiscal burden of the abovementioned changing demographic in terms of both cost—especially health-care related costs—and the shrinking taxation revenue base.

Another underlying policy initiative of these reforms is that they address the forecast shortfalls in the labour market by providing incentives to work beyond what was traditionally known as retirement age, thus improving the capacity for workers to fully or at least partly self-fund their retirement and
thereby minimising the public cost via our unfunded government pension scheme, which is paid through general taxation receipts. Thus, weighing the proposed legislative changes against these broader social and economic changes is an appropriate means of measuring the relevance and quality of the government’s superannuation reforms. The question is: are the government’s propositions socially acceptable, equitable and legislatively responsible?

While the Democrats recognise that this simple super package of 11 bills makes a genuine and systematic effort to simplify superannuation rules and taxation and to encourage older Australians to work and save more, they are still inadequate because they only address part of a much larger problem. The problems remaining in the superannuation system and the broader income taxation system include: those who are retiring in the near future and who have inadequate superannuation funds; the need to significantly improve the disposable income of low-income Australians both in work and in retirement; the need to address the markedly lower super funds accumulated by women overall; and the continued unjust discrimination in superannuation against same-sex couples. There is also the opportunity-cost issue and the question of the desirability of spending $7.2 billion on this measure over the next four years, given the other more pressing demands on revenue.

I welcome the government’s package as a genuine attempt not only to simplify and streamline a complex system but also to provide considerable incentives to encourage increased levels of work and saving. That does not mean that I am without caution. In part, that caution is prompted by the difficulty I have in fully assessing the consequences of these changes. Unlike the new tax system that brought in the GST and related reforms, there is a decided lack of modelling, cameos and detailed projections from the Treasurer and Treasury. Treasury has not provided a long-range forecast of tax revenue effects beyond the forward estimates period, which is obviously needed, so there is much uncertainty as to how these measures will play out and affect Australia’s financial future. While I am mentioning the GST in passing, Australian pensioners should remember that they enjoy age pensions being indexed to average male weekly earnings because of the Democrats insistence on that occurring during the GST negotiations. If it were not for the Democrats they would not be as well off as they now are.

In part, my caution also arises from the question of priority. Is spending $7.2 billion on superannuation over the next four years the right priority? That is a hard question to answer, given the competing demands that always exist on taxpayer funds. By their nature these reforms are selective in impact: not everyone benefits or benefits equally. Taxpayers over 60 years of age will benefit most, and wealthier retirees and better-off Australians will benefit more than the less well off. For example, in its submission to the committee inquiry into these bills, the Australian Council of Social Service highlighted its concern that wealthy Australians were the true beneficiaries of the provisions contained in the legislative changes, thereby perpetuating income inequality in retirement. Note that it used the word ‘perpetuating’. These bills do not actually change the situation that those people with more money will continue to have more money. In my opinion these are not, of themselves, faults with respect to these bills. What is important is whether any other measures—strong compensating programs and reforms—are available that will significantly improve the lot of Australians who are not in these retirement categories and who are not beneficially af-
ected by these bills. Unfortunately, there are not.

In part, too, my caution is prompted by a sense of a lack of policy balance. These reforms will benefit many Australians but will particularly benefit better-off Australians. Policy balance and equity require structural reform in the rest of the income tax system, particularly to benefit low- and middle-income earners. That should accompany and follow these superannuation tax reforms. While recognising that Australians will be grateful for the tax relief provided in the 2006 budget, the Democrats remain disappointed that the government has failed to provide a strategic income tax reform plan. Structural tax reform is essential to make the tax system simpler, fairer and transparent. Our income tax system is complex, inequitable and inefficient. It is widely criticised for its churning effect.

The Treasurer has adjusted rates and thresholds within the existing income tax system. He needs to change the system to be simpler, broader based and more equitable. The Democrats say that a structural income tax reform plan should include raising the tax-free threshold significantly to take millions of Australians out of the income tax system. I note a recent OECD report again supported this stance of the Democrats.

The Democrats say that a structural income tax reform plan should include indexing the rates to account for bracket creep; broadening the base by cutting out tax concessions that are inequitable, inefficient, outdated, unnecessary or distortionary; reforming the tax-welfare intersects to encourage welfare to work and remove inequities; and ensuring nominal and effective tax rates remain fair and competitive. If that tranche of measures were to accompany this tranche of measures, then you would have a completely rounded package.

One frequently expressed concern about the Simplified Superannuation plan has been the large potential revenue forgone as a result of the reform. I have, however, been intrigued by the prospect of this reform being a large revenue earner over the longer term rather than a large revenue loser. Unfortunately, I do not have the means to model this theory, but it is a theory that is worthy of debate, especially given the forecast demands on our future tax with our changing demographic profile. Demographically speaking, we are indeed an ageing population. This social phenomenon throughout the developed world presents a number of specific challenges. Perhaps the most challenging of those is the means by which an increasing number of retirees are able to fund their existence at an affordable public cost. The combination of retirement and an ageing population and retirement funding dilemmas are all inextricably linked. The role of government in managing this complex socioeconomic trend is twofold: it must ensure policies and regulatory mechanisms are in place to enable Australians to effectively save for their retirement whilst at the same time ensuring that increased concessions to superannuation do not jeopardise future government revenue that will pay for our nation’s health care, education, infrastructure and other expenses.

So has the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and related bills struck the right balance? Does it offer the best system for partly and wholly self-funded retirees, low-income pensioners and taxpayers alike? How will it fit within Australia’s regulatory and tax framework? These are big questions. I am afraid I do not have the answers and only time will tell.

Striking a balance between protecting taxation revenue and establishing taxation concessions to encourage Australians to save for their retirement is a delicate, difficult and
important task. Although not immediately obvious, this trade-off is representative of the socioeconomic divide that continues to grow within our nation. On the one side of the divide sits wealthy Australia, which is empowered to save for its future through a superannuation system that is now well designed for this purpose. On the other side of the divide is low-income Australia—in retirement reliant on welfare via a means-tested general age pension. To fund the retirees of low-income Australia or to subsidise the retirees of wealthy Australia, taxes must be generated.

The critical issue with regard to this funding dilemma is how the government proposes to generate the requisite tax income from a projected shrinking taxable working population to meet the expenses of a retiring population which is forecast to grow substantially. The prospect of raising corporate or personal income taxes on a tax base maintained by a smaller proportion of the population is an alternative that is both politically unsavoury and economically unviable. A more politically and economically sound alternative is to generate additional tax revenue through incentives to encourage Australians to save for retirement and to work beyond the traditional retirement age of 60. That is because if you work longer and you save more, taxes are generated.

Core measures contained within this bill, such as the removal of taxation on superannuation benefits from taxed funds after 60 years of age and scrapping the compulsory superannuation payout provisions, certainly encourage Australians to work longer and save harder, but this is only half of the story. While many of the provisions contained within this compendium of bills will encourage more savings to flow into superannuation accounts and Australians working longer will delay the shrinking tax base, the problem that must ultimately be faced by government is how to fund a growing unfunded general age pension and how to continue to subsidise the growing cost of our hospitals, schools, roads, ports and other resources upon which Australians will continue to universally depend.

Does this simplified super bill possibly establish a channel that can, in part, bridge the divide between rich and poor Australia? Surprisingly, from a counterintuitive perspective, my view is that the answer to this question could be yes. By removing the benefits tax on superannuation which only applies to wealthy retirees and making a number of other structural changes, the government is also removing a significant hurdle to investment in superannuation. With significantly greater investment in superannuation the government could stand to gain substantially from taxation revenue through both the once-off contributions tax and a tax on earnings with concessional rates of 15 per cent at an estimated 7.1 per cent return, respectively.

This could mean that with money pouring into super and a vast sum of money invested—which will grow to trillions of Australian dollars—the government has potentially crafted a growing taxable base that could dwarf the present personal income tax base. The generosity and clarity of the simple super bills is intended to encourage a massive injection of funds into superannuation, which then could turn out to be a very significant revenue earner. In turn it could provide the mechanism by which the government proposes funding the savings gap of low-income retirees and the accompanying plethora of subsidised social costs.

Having said that, an obvious question arises: if this is so, why has the government not expounded more on the forecast growth of investment and therefore tax revenue in superannuation as a result of the changes contained within these 11 bills? The answer may be a simple and a valid one: until the
be behavioural effects become apparent, one would have to be cautious in predicting the consequence of enhanced savings investment, particularly if it is thought the investment effect might be modest if funds are simply switched from existing investment vehicles to others in superannuation.

Scrapping the benefits tax and cleaning up the legislation are the two big carrots that have been proffered, both of which could carry a negligible expense relative to the tax gains that stand to be made from a burgeoning and taxable national superannuation pool. Maybe this package of bills will turn out to be the government’s secret future cash cow; maybe not—time will tell. From a big picture perspective, Australia could progressively experience a conversion from a taxation system focused on revenue raising via personal incomes, with a tax base estimated at $450 billion presently, to an increased reliance on a superannuation system forecast to have $2 trillion-plus under management by 2015 and growing rapidly. The system works because superannuation is a function of both personal income and growing capital; it is a much bigger taxable base, so it can be taxed at a lower ‘concessional’ rate and still cover the forecast shortfall in personal income tax raised. If this thesis of mine is accurate, then the simple super bill has struck an adequate balance between encouraging more work and encouraging those that can save for their retirement to do so whilst at the same time preserving the means to raise taxation revenue to meet forecast welfare and social costs.

Neither the government nor the explanatory memorandum has attempted to discuss this possibility. Understandably, the government is focusing on what taxpayers stand to gain rather than on what they may lose in the form of future increased taxation revenue. Broadcasting the value and importance of the national superannuation pool as potentially a progressively more important source of taxation is not likely to be part of the government’s spin, particularly if such potential gains are uncertain at this stage. I am of the view that the superannuation system, by its very design, is structured to serve Australians with incomes substantial enough to set aside funds for retirement. This is the essence of self-funded retirement. For low- and lower middle-income Australians, their reliance on the superannuation system will be of a very different nature. Their indexed pension will, indirectly, be reliant upon the same superannuation system for the taxation returns that the reformed system will offer, as opposed to the generation of an income stream substantial enough to self-fund their retirement. So there is a neat intersect between the need to raise taxpayer funds to fund future age pensions and this package of bills, which, by delivering a simplified super system by encouraging greater work and greater savings, will end up, I think, delivering additional taxation revenues, which in turn will help fund the pension system. It is an interesting thesis. As you would have gathered, I rather like the overall effect of these bills. I say that without diminishing those areas about which I have expressed caution. In conclusion, I would like to move my second reading amendment.

The DEPUTY PRESIDENT—Senator Murray, you can foreshadow the moving of that as there is already a second reading amendment before the chair.

Senator MURRAY—that is quite right, Mr Deputy President; I knew that really! So I foreshadow my second reading amendment, which has been circulated as item 5204, and I will indicate, before sitting down, that I will be supporting Senator Sherry’s second reading amendment. (Quorum formed)

Senator WATSON (Tasmania) (1.14 pm)—The Treasurer, Peter Costello, took the superannuation industry and financial mar-

CHAMBER
kets by surprise in the May 2006 budget with his policy of simplifying and streamlining superannuation. People moving into retirement have been actually handed the biggest tax break on superannuation since the time of the five per cent tax on lump sums. Unlike most other countries, Australia has taxed super three times: on entry into a fund, 15 per cent; on earnings from the fund, 15 per cent less dividend withholding tax; and on exit from the fund, anywhere from zero to 47 per cent. In the future, as a result of these monumental changes by the Treasurer, there will be only two levels of taxation, with exit taxation being abolished in the case of a taxed fund, where most of the members reside. So the effect of this simplifying of superannuation by the Treasurer is that gone are the eight very complex stages of computation of tax on what is known as an eligible termination payment, often referred to as an ETP. This means that the financial planners of this world will now focus on investment earnings rather than on planning around the age based and reasonable benefit limits to minimise tax. Too much time in the past was spent on minimising tax rather than on maximising returns.

Commenting on his superannuation budget initiatives, Treasurer Costello said that the measures had effectively made superannuation one of the best possible investment options for Australia and that they would encourage Australians to remain in the workforce. It is interesting to note that, following that announcement, many senior people in the union movement commented that it was the Liberal coalition government that was now the party for superannuation.

Earlier, Senator Sherry waxed lyrical on what the government of his day did in the early nineties, but times have moved on and the initiative has now been taken by the Liberal Party, which is handing out the biggest benefit in known memory. Approximately 85 to 90 per cent of superannuants in Australia are in what is known as a tax fund. When they are aged over 60, they will receive a lump sum with very few strings attached that will essentially be tax free. What is even more important and attractive is that, when this sum is invested in a pension, the income stream following that pension will be tax free. There is another group which comprises the 10 or 15 per cent of superannuants who are in a Commonwealth fund or are state employees, but their super is not taxed to begin with and they will be subject to a separate concessional taxation regime.

For many years now people have been saying that the nine per cent superannuation contribution from employers was not enough to derive a reasonable retirement income. But, as a result of these measures, the capital accumulation which will now be required to produce an effective income stream will, because of the impact of no tax on the stream, be so much lower than it was previously. This will minimise the adequacy issue. This is a great simplification of the accumulation and the draw-down.

Because the tax on superannuation has been reduced for people receiving benefits from tax sources, taxes will also be reduced on benefits paid from untaxed sources for people who are aged 60 and above. Under the plan, it is proposed that the 30 per cent tax on lump sums will be reduced to 15 per cent for amounts up to $700,000, with any excess taxed at the top marginal rate. Pensions received from an untaxed source will be taxed at the marginal rate but will receive a 10 per cent offset. Again, this is a very generous arrangement.

I will give an example of how the system will work. Say a person receives a pension of $56,000 per annum with a deductible amount of $6,000; that $6,000 would represent contributions made from that pensioner’s after-
tax income. As a result of that, there would be a taxable pension of $56,000 less the $6,000 that he put in himself—$50,000. The deductible amount of $6,000 would naturally be paid tax free. The tax offset would be 10 per cent of the $50,000, which is $5,000. So the amount of tax payable by the person would be reduced by up to $5,000 depending on the person’s circumstances. In the case that I have outlined, it would be reduced by $5,000. That is a very generous and helpful contribution courtesy of the Liberal coalition.

Some of the other budget changes include the abolition of the reasonable benefit limits, often known as RBLs. These will be replaced with a flat pre-tax maximum of $50,000 in a salary sacrifice type of arrangement and an after-tax contribution of $150,000 per annum with a facility for deductibility up to $450,000 in any one year but still within that three-year arrangement. Members aged over 50 will be able to contribute $100,000 pre tax in one year for five years and this new $150,000 per annum limit on the undeducted contribution applies with effect from 9 May 2006. The Treasurer also confirmed that the tax will exclude the capital gains tax component from the sale of a small business. This will allow each small business owner to contribute up to $500,000 of capital gains into a superannuation fund in addition to contributions allowed under the cap. It is a very generous arrangement and it will be very helpful to small businesses.

Current allocated pensions require a drawdown within both minimum and maximum parameters. What will happen as a result of these significant changes is that a new type of pension will be introduced which requires only a statutory minimum—no maximum—payment to be made. People will be able to take a pension and also work at the same time. That is very valuable in circumstances where we are encouraging people to work after reaching normal retirement age. So there will be a facility for people to be able to have an income which has a taxable component and a tax-free component.

Another very important facility that is given to individuals is that they will have far greater flexibility as to how and when they draw down their superannuation in retirement, and there will be no forced payment of superannuation benefits. In effect, a person could maintain their superannuation account with their industry fund, or wherever it might be, and it will act almost as a bank account does, because they could draw out the money—draw down their funds—as and when they require.

As a result of these changes, the self-employed will be able to claim a full deduction for their superannuation contributions as well as be eligible for the government co-contribution on their personal post-tax contributions. The ability to make deductible superannuation contributions will be extended to the age of 75. Let me give you an example of just how significant these changes can be. For somebody who is earning $1,000 per week, the lump sum saving over 40 years will be $37,000, or an extra $136 per week in pension. I will repeat that to show the impact that simplifying and streamlining superannuation will have on an individual: if an individual is on $1,000 per week, lump sum savings over 40 years will be $37,000, or an extra $136 per week in pension.

To further increase the incentives to save for retirement, from 20 September 2007 the pension asset test taper will be halved to $1.50 per fortnight per $1,000 dollars of assets above the threshold. The effect of this is that it will allow a single retiree homeowner to have around $165,000 in additional assets before they lose the age pension, while a couple can have around $275,000 in addi-
tional assets before losing the age pension. This will have a very significant impact on providing security for older people in our society because the benefits and the side benefits of the age pension, in terms of access to the Pharmaceutical Benefits Scheme, are very significant.

But not everything has changed. The 15 per cent contribution tax will remain, although any taxable contributions over the new $50,000 limit will be taxed at the top rate. Our friends on the other side of politics believe that the way to tackle this is to reduce the contributions tax by some amount—by how much was never stated—but, while that could provide some benefits, the problem with that approach is that it would not reduce much of the red tape. In fact, according to the Labor Party proposal, instead of having eight stages of computation for an eligible termination payment, you would have nine—further complicating the arrangements that we have sought to eliminate.

The government provided an opportunity for submissions to be made, which were passed to Treasury. This was a massive undertaking. It is a big change and has a big impact on the budget: $2 billion every year for the next three years at least. The matters that the coalition looked at favourably included exiting the existing pension arrangements and so on. In summary, the aspects of the reform are as follows: it will significantly lower the tax impact on superannuation in terms of a tax fund; the replacement of the age based limits with streamlined contribution rules will certainly simplify matters; it will improve the co-contribution incentives for the self-employed; it will halve the asset test taper; and it will rewrite superannuation law to present a much clearer picture. The removal of taxes from three levels—on entry, on earnings and on exit—to only two levels will certainly bring us to the forefront of the lower taxation regime that applies throughout the world.

It is not surprising that around the world people are looking to Australia for taxation reform. I know from experience in Asia that it is Australia they are looking to for reform and for guidance as to how they should shape their retirement incomes. There is a situation where, particularly in Asia, the family unit is breaking down, there is a lot more mobility and, in China’s case, there is a one-child policy. They are undergoing some fundamental rethinking of retirement. The Asians are particularly good savers. At the present time, most of this money just goes into bank accounts. They are looking to get larger returns. They are looking to find an environment and a regime that will provide the security that is absolutely necessary for saving over a 30- to 40-year period. It is to Australia that they are looking.

Australians are at the forefront in providing the IT facilities and the expertise that the Asians are looking for. To the credit of Australia, Australian companies, executives and experts are providing that information and assistance and are contributing to the stability of pension regimes right across the world. I thank them for that, and I thank the Treasurer for his foresight in introducing such a marvellous incentive and initiative.

Senator BARTLETT (Queensland) (1.31 pm)—I want to speak to just a couple of issues surrounding the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and its 10 related bills which were raised during the Senate Economics Committee inquiry into the bills and have also been raised with me by a number of constituents. Before I do that, I would like to reinforce the key role the Democrats have played over the years in strengthening Australia’s superannuation system and being pivotal in the development of the superannuation system in Australia. It
is probably fairly fashionable these days to deride my Queensland Democrat predecessor Cheryl Kernot, but she played a key role as a Democrat senator in the formulation and expansion of the superannuation system under the former Labor government. That is a positive legacy of hers that is still being felt today, and I think it should be acknowledged.

More recently, the Democrats played a key role in negotiating constructively with the current government, as we often attempt to do, in developing a massive expansion in the amount of assistance for low-income earners in maximising their superannuation savings. As part of that, quite wisely, we required regular quarterly reports to be tabled in this parliament about the amount of money being provided to low-income earners through government payments as supplements to their superannuation contributions. The amounts that have been provided to supplement and expand the superannuation savings of low-income earners have proven to be much larger than was originally anticipated. I am fairly sure it now goes well past the $1 billion mark of extra money that is in the superannuation savings of many thousands of Australian low-income earners. Those are just a couple of examples amongst many of the constructive, very important and direct legacy of the Democrat contribution to our superannuation system.

My colleague Senator Murray has spoken to this particular legislation at some length, so I will not go over some of the points that he raised. If I were still in a balance of power position in this chamber I would insist that much more detailed costing projections be provided by the government. I appreciate these things are always an estimate, but when you are making changes of this magnitude there should be at least some effort to project the longer term costings and the scenarios and cameos for different people in different circumstances.

The failure of the government to do that work and to provide those projections is pretty sloppy, frankly. It is the sort of thing that has happened more and more since the government got control of the Senate. That shows that having an independent Senate that can properly review what the government is doing is not just a matter of saying, ‘That’s bad policy and we’ll stop it,’ or, ‘That’s bad law and we’ll stop it’; it is actually a matter of ensuring that the job is done thoroughly and properly the first time around. Even if you support a policy intent, there is a big difference between just letting it roll through without proper examination or proper work being done and looking at it in the necessary detail to make sure, as much as possible, that you get it right the first time and that you have a broad idea of all of the potential effects. The flow-on, long-term effects of all of these changes are hard to predict in lots of ways, but that does not mean that you cannot do a bit of work trying to do so.

A specific area I want to touch on is detailed in chapter 3, I think, of the Senate committee report and relates to the tax on additional assessable income, particularly the way some of these changes interface with the situation for people in military service schemes. The committee report—and it was unanimous on this matter, as I understand it—noted possible inequities associated with members of taxed and untaxed schemes who receive assessable income in addition to their superannuation benefits. One submitter suggested that these changes result in a further inequity for many individuals who have other sources of income or who receive higher superannuation pensions, because it taxes the residual end benefits tax at marginal rates rather than subjecting it to a separate 15 per cent flat tax.

For members of tax schemes receiving a superannuation income stream, additional
income is taxed at a marginal rate from a starting point of zero. This category of recipients is therefore able to take advantage of the tax-free threshold and the overall progressiveness of the income tax system when tax is calculated on their additional income. Pension recipients from untaxed funds are taxed at marginal rates and additional income earned by these fund members is combined with their superannuation income stream to determine their assessable income. Consequently, more tax is paid on this additional income by those in untaxed schemes than those receiving a benefit from a taxed scheme. The committee came to the view that this was an anomaly that applies inequitable tax treatment to the same type of assessable income and urged the government to reconsider the way in which total taxable income is classified for those in untaxed schemes.

This links to some extent with concerns specifically relating to the Defence Force Retirement and Death Benefits Scheme. These were also touched on in the Senate committee’s report. The concerns that have been raised with me by a number of veterans relate to the way these benefits are being excluded from the new schemes on the basis that they were untaxed and unfunded. Certainly, some contributors to the scheme state that they did contribute a portion of their salary to the scheme. It was a taxed portion under a compulsory 5.5 per cent contribution, and for a period the government did make a co-contribution of 11 per cent until this scheme was changed.

A number of veterans argued in their submission to the committee that the Defence Force Retirement and Death Benefits Scheme should be considered as at least partly funded so that they could have some of the benefits available to other superannuants. I note that Treasury officials—and I think the Treasurer himself—indicated a commitment that veterans would not be paying more tax under the proposed new regime. But the fact remains that, under this proposed new regime, a lot of other people will be paying less tax and these veterans will not. So there are certainly some grounds for the concern that was expressed, reflected in the view put forward by the committee. The report said:

The committee recognises the unique circumstances in which veterans find themselves. Military personnel rarely have the opportunity to work until the usual age of retirement, especially given the inherent physical risks associated with serving in the ADF. Further, as a consequence of military service many former ADF members are left incapable of undertaking further employment. That is a factor relating to service in the defence forces that I have spoken on a number of times in this place before. We should realise that it does not just apply to veterans—people who are wounded in action in the theatre of war. Being in the Defence Force is an inherently risky business in general. There are many people injured in peacetime whether in non-warlike service or as part of their day-to-day activities in the ADF.

I have spoken a number of times about how I believe on many occasions, although not all, we are still not adequately assisting ex-service personnel whether they be war veterans or other ex-service personnel who have been injured or wounded in the line of duty. The committee indicated its sympathy for the financial circumstances of veterans, particularly those unable to work. But—and I am paraphrasing here—it indicated the view that, whilst there was some understandable concerns being expressed by those veterans with respect to the treatment of the Defence Force Retirement and Death Benefits Scheme, it did not believe that this was the best place to fix it up. The report stated:

... the committee is not persuaded that the tax free treatment on benefits should be further extended.
However, the committee strongly encourages the government to examine the adequacy of financial protection that military superannuation schemes provide for incapacitated ADF members, particularly in comparison with other public sector superannuation schemes.

The committee felt that, if veterans are at a relative financial disadvantage due to the inadequacy of their military superannuation funds, redress should not occur through special tax exemptions. In the committee’s view, this would negate the purpose of the legislation and potentially create other inequitable treatment for people facing the same hardships by different circumstances. I can understand the view the committee has put. They basically said, and I am paraphrasing, ‘We agree that some of you are in an unfair position, but this process is not the best way to fix it.’ That is probably correct. But the problem is that, when you are the person in the unfair situation, particularly if you are a veteran or ex-service person, a statement like, ‘Yes, we agree you are getting a bit of a rough trot but this isn’t the best way to fix it; we need to convince the government to do something else,’ is the sort of thing they tend to hear time and time again. Even though this might not be the best way to fix it through the mechanism that is suggested, it does redouble the obligation on government to seek to fix it. It is cold comfort to have your concern acknowledged and then be told that you have to find another way to address it. I think that on all sides of politics we need to be particularly cognisant of the unique type of contribution that Defence Force members make, particularly those who have been injured and those whose injuries are sufficiently severe that they are unable to work again.

Generally speaking, politicians like to wrap themselves in the flag. They like to hang out at military parades, give out medals, be at services, wave off troop ships, welcome them back home and all those sorts of things, but, when it comes to the ongoing day-to-day treatment for those service personnel for the rest of their lives, it often tends to be governments that are the ones missing in action. We need to be doing a lot better in that regard. I think it is doubly important given some of the willingness to use political rhetoric to encourage and promote military activities around the place.

I want to take the opportunity to put that on the record and particularly to urge the government to take into account the committee’s recommendation No. 4 regarding the separate assessment of superannuation income streams and additional assessable income and also the committee’s view regarding the treatment of people in military service schemes. One of the things that can happen with committee inquiries into legislation—unlike committee inquiries into policy areas where governments are meant to provide responses to the various recommendations—is that there is often very much a feeling that, once the legislation has been dealt with, recommendations that do not directly relate to the legislation just disappear into the ether.

Having said that, the government’s record of responding to any committee report is spectacularly appalling, especially since they have gained control of the Senate. It seems like other people’s views no longer need to be even acknowledged let alone responded to. But these are important issues; they were unanimous findings of the committee. I think it is particularly appropriate that the efforts to redress some of the concerns be redoubled, for both the unique aspects of the tax treatment of benefits and, more broadly, the continuing difficulties that many ex-service personnel face.

Senator WEBBER (Western Australia) (1.45 pm)—I rise to continue where Senator
Bartlett left off. But, before commencing my contribution to the debate on the Tax Laws Amendment (Simplified Superannuation) Bill 2006, as a member of the Senate Economics Committee I would like to place on record my thanks to all the secretariat staff and those who contributed to our inquiry. As is often the case with many Senate committees, but particularly the Economics Committee these days, we have a particularly congested time line within which we are to consult with the affected public on potential legislation and then report to the chamber, because the government seems to be in a great hurry to get some of its legislation through. Sometimes we are inquiring into legislation that, when the inquiry commences, the opposition has not really even seen. We have often only seen the title. I place on record my thanks to the secretariat and other staff, and those who submitted to our inquiry on legislation that it took a while for us to see.

Senator Bartlett raises some legitimate points. My colleague Senator Sherry has expanded on the opposition’s general concerns about the costings of this package. The specific concerns that I want to focus on are those that affect our former military personnel and particularly our veterans. Senator Bartlett has outlined the committee’s unanimous recommendation—recommendation No. 4. The committee was moved by the witnesses who were retired from the Defence Force. I particularly want to place on record my thanks to Mr Colin Wade from Mandurah in Western Australia, who is retired from the Defence Force. He gave extended and distinguished service to the Australian Defence Force and retired on the grounds of ill health. Some of the things he endured while in the Defence Force have obviously severely impacted on his day-to-day living. Government policy does not really take into account the impact that it has on people like Mr Wade and his colleagues within the Defence Force.

It seems to me that a good public policy principle would be to look at these people as a separate category. It is, after all, the government of the day, no matter what its political persuasion, that decides to put these people in harm’s way. Therefore, we have a great duty of care to look after those veterans at the end of that service and to recognise the particular physical and psychological impacts that service has had not just on them but on their families. I do not think anyone on the committee failed to be moved by Mr Wade and his evidence. It took an incredible amount of courage and bravery for him to travel across the country. He had to bring support with him to appear before the Senate committee. Interstate travel is something that we in this chamber may take for granted as pretty easy, relaxed and informal. But it is not always that way, particularly if you have suffered severe impacts on your health. It can be a pretty traumatic experience, and it is always a traumatic experience to expose your personal life and history to a roomful of strangers and on the public record. So it is worth acknowledging him and thanking him for taking the trouble to do that, thus allowing the committee to consider the wider implications of legislation like this.

When members of the committee quizzed departmental officials about the impact of this legislation and with whom they had consulted, we were told that they had consulted with ComSuper on the subject of people receiving Commonwealth superannuation and that that was about it—ComSuper are the peak body. I do not in any way want to belittle the contribution that any public servant makes or any of the people who work for ComSuper, but these veterans, these people who have served in our Defence Force, are in a different category. Yes, their superannuation is looked after by ComSuper, but they
have a unique set of circumstances. It would not seem unreasonable that the department actually go and consult separately with their representative body rather than just the peak organisation that serves to look after everyone who receives a ComSuper benefit. After all, those veterans, those retired Defence Force personnel, would comprise a very small percentage of the overall ComSuper membership, but they do have unique circumstances. There are not that many other ComSuper beneficiaries that governments of the day can choose to put in harm’s way. Our veterans often suffer long-term physical and psychological consequences from the policies of the government of the day.

When considering legislation like this it is important that we look at the impact in its totality on the entire membership and composition of the membership of ComSuper rather than opt for the standard consultation with the peak organisation. The concerns they would have raised would have reflected the circumstances of a significant proportion of their membership. For the committee members, it was only through meeting with Mr Wade and some of the other witnesses who appeared that we came to understand some of the other implications and impacts of this legislation, and some of the potential solutions that there are to the concerns of these people. I believe that next time we need to hasten a bit more slowly—get the consultation right and look at all the impacts rather than the impact on the vast majority, and every now and then concede that there may be some special circumstances and some people who have had very traumatic lives and deserve special consideration.

Senator CHAPMAN (South Australia) (1.51 pm)—The legislation that we are debating today, the Superannuation Legislation Amendment (Simplification) Bill 2007 and a raft of related bills, implement the Howard government’s groundbreaking reforms to superannuation. These bills simplify superannuation arrangements for retirees and make the provisions for superannuation much easier to understand. They improve the incentives for people to work and save and they introduce greater flexibility in how superannuation savings can be drawn down in retirement.

In introducing these major superannuation reforms, the Howard government is significantly improving the adequacy of retirement incomes. The raft of bills that we are debating today simplifies the current complex tax arrangements with regard to superannuation and removes restrictions that have previously applied to superannuation benefits. The bills provide retirees with much greater flexibility as to how and when they draw down their superannuation benefits. More than 10 million Australians with superannuation accounts, in addition to the many future account holders who will establish superannuation savings in future years—in many respects as a direct result of the incentives that this legislation introduces—will benefit significantly through these reforms.

To summarise some of those very important reforms: firstly, there is the abolition of the reasonable benefit limits so that there is now no limit on the amount of capital that a person can accumulate through superannuation or put into a superannuation fund. The age based contributions whereby a person can make a contribution to a superannuation fund that is tax deductible and have that taxed at 15 per cent in the superannuation fund, which previously varied according to age, is now set at a flat rate of $50,000 per year irrespective of age.

In addition to that, people under this legislation are able to make an undeducted or after-tax contribution now limited to $150,000 per year. Previously, undeducted contributions were unlimited; people could put as
much after-tax capital into superannuation funds as they chose and were able to do. But these measures place an annual limit on that of $150,000, or you can put $450,000 in on one occasion and then not make any after-tax contribution for three years. That ensures an element of fairness with regard to superannuation savings.

Importantly, this legislation ensures that, as from 1 July next year, once a person turns 60 years of age there will be no tax on the benefits they draw down from their superannuation fund. Whether those benefits are drawn down in the form of a regular pension, in the form of a lump sum or through a combination of those there is no tax on the benefits drawn down from a superannuation fund. This is an amazing and major reform to superannuation. Importantly, the provisions made for transition to retirement mean that people can keep working part-time as they approach retirement age and make contributions from their earnings into a superannuation fund, and gain the tax advantages of that for their retirement savings purposes, but at the same time draw down their superannuation either in lump sum form or by way of pension on a tax-free basis. That is a very significant reform among the major reforms under this legislation.

Also, until 30 June this year people can make a one-off contribution of $1 million to their superannuation fund. As I mentioned previously, under the existing regime there was no limit on the after-tax contributions that people could make to a superannuation fund as part of their transition to retirement. Quite fairly, the government in this legislation has allowed a $1 million limit up to 30 June this year, which takes account of that and of the subsequent introduction of the $150,000 per year limit on undeducted contributions. They are very important initiatives.

But one of the most important initiatives with regard to this legislation is the provision that has been made for small business, and I want to focus some remarks on that particular benefit. Small business owners for a long time have been amongst the most enthusiastic supporters of superannuation, particularly in the form of self-managed superannuation funds. The fundamental logic of their enthusiasm is easily understandable. Many people decide to set up their own businesses to ensure their independence, and it is the same motivation that encourages many of them to establish their own self-managed superannuation fund. Under this legislation the link between small business and self-managed superannuation funds, I believe, will become even closer through 2007 and beyond because of the way in which this legislation makes superannuation simpler and more tax effective. It is only one of the many changes that this legislation initiates. It is a policy initiative of the Howard government which this legislation introduces and I want to focus on it today, because the small business sector is of great importance to our economy and to our community.

One of the changes in relation to small business is to allow full tax deductibility for personal contributions made by self-employed business owners as compared with employees of incorporated businesses. No longer does a small business owner have to be the employee of their own incorporated business; they can be in a partnership or some other business ownership structure and as a self-employed person can now gain full tax deductibility for their contributions to super up to that $50,000 per year limit. That is a very important reform as far as small business people are concerned.

But the most important reform, I think, is the exclusion from the annual cap on undeducted superannuation contributions of the proceeds from the sale of small business as-
sets or farm assets that qualify for the standard small business capital gains tax exemptions up to an indexed lifetime limit of $1 million. That applies in addition to the annual cap on undeducted contributions of $150,000 a year or $450,000 on a three-year cycle. This is a very important reform for small business. I welcome its introduction. It was not part of the original package announced in last year’s budget, to which this legislation by and large gives effect. It was an initiative taken during the refinement and consultation process of this legislation. It is an issue that I raised very strongly in the government members Treasury committee and I welcome the fact that the Treasurer finally acceded to including this as part of the package. It is a very important initiative.

It means that when a small business person retires and sells the business for the purpose of retirement they can put in $1 million of the proceeds of the sale of the small business as an after-tax contribution, and if it is a husband and wife business then obviously they can put $1 million each into that fund in addition to the $450,000 on a three-year cycle. So it does make a substantial difference to small business and I think it is an important initiative.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Australian Nuclear Energy Pty Ltd

Senator WONG (2.00 pm)—My question is to Senator Minchin, the Minister representing the Minister for Industry, Tourism and Resources. Is the minister aware of reports that Ron Walker, Hugh Morgan and Robert Champion de Crespigny are key shareholders in Australian Nuclear Energy Pty Ltd, a private company considering building nuclear power stations in Victoria and South Australia? Has the minister, or have any of his cabinet colleagues, discussed these plans with the company or any of its representatives? Can the minister also indicate whether the government was already having discussions with this company about the location of nuclear power stations before the release of the Switkowski report? Is the minister aware that it was revealed at Senate estimates that the government has a 31 March deadline for its response to the Switkowski report? Isn’t the reason for the urgency in this response all about the Howard government giving the green light to companies like this to build nuclear power stations in Australia?

Senator MINCHIN—I am specifically asked whether I, or any other member of the government, discussed this proposal at some stage. I can say on my own behalf that the first I knew of the alleged proposal was the media reports on it this morning. I have not discussed this with any of the gentlemen concerned.

For the record, I regard Mr Walker, Mr Morgan and Mr de Crespigny as very fine Australians who have made an enormous contribution to this country and to wealth creation. And, indeed, Mr de Crespigny is so highly regarded that he sat as a member of the South Australian Labor Premier’s economic committee of cabinet and was his economic guru. Mr de Crespigny, of course, chaired the South Australian Economic Development Board for the Labor Premier, Mr Rann. So these are great Australians, and I hope that no-one will suggest that there should be any pillorying of their contribution to this economy.

Honourable senators interjecting—

The PRESIDENT—Order! There is too much noise on both sides of the chamber. I ask you to come to order.

Senator MINCHIN—I also draw the Senate’s attention to a media statement issued today by Australian Nuclear Energy Pty Ltd, the company in question, which says:
The Australian community will ultimately decide the best way to provide sustainable energy for our country. Australian Nuclear Energy Pty Ltd is a private company established to examine potential commercial responses to future energy needs. ANE company secretary Mr Bruce Fitzgerald says that, contrary to today’s media reports, the company has not put forward a proposal to build nuclear power plants in Australia. The company will make no further comment.

So the company is in effect denying the gist of the press reports today as to any plans it may have for nuclear power plants.

I will, for the sake of Senator Wong, find out if any other members of the government have discussed anything of this sort with the three principals of this company, but I am not aware of that. Mr Macfarlane, I saw reported in the media today, says he had not specifically discussed this proposal. But I am happy to come back to Senator Wong with any information I can give her with respect to any other members of the government.

I should say that we have been quite open in our position on this matter. We did commission the Switkowski committee to examine the place of nuclear power in Australia’s energy future. The Switkowski report was a very comprehensive examination of the question of whether or not nuclear power had a role to play in Australia’s energy future. The government is examining that report and will respond to it in due course.

The minister I represent, on whose behalf I have been asked this question, Mr Macfarlane, has issued a statement today making it clear that under current Australian law, at both a federal and state level, nuclear power is not permitted in this country. It is actually prohibited by law. However, we do believe that nuclear power has to be on the table as one of the energy options for Australia.

The real point about this issue is that it exposes the Labor Party as utter hypocrites on the question of greenhouse gas emissions. They are running around the country creating a scare campaign—

Senator Chris Evans—we agree with you! It’s not economic!

Senator MINCHIN—on greenhouse gas emissions but they have completely and absolutely ruled out, on any consideration—

Senator Chris Evans—we agree with you! It’s not economic!

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

Senator MINCHIN—the only source of baseload power that has zero emissions. So they are utter hypocrites on the issue of greenhouse gas emissions.

Senator Chris Evans—You’re the hypocrite—you don’t believe a word of it!

Senator MINCHIN—They have no plan to control greenhouse gas emissions. They walk both sides of the street; they have some of their members saying we have to shut down the coal industry and others saying—

The PRESIDENT—Order! Senator Evans, withdraw that remark.

Senator Chris Evans—Is that the hypocrite remark?

The PRESIDENT—Yes.

Senator Chris Evans—I thought the minister accused us of being hypocrites.

The PRESIDENT—No, his was a general term; yours was a personal expression. And you know, as well as I do, the difference.

Senator Chris Evans—Mr President, I was referring to the fact that Senator Minchin is on the record as not agreeing with the government’s policy. He agrees it is not economic. If I was out of order—

The PRESIDENT—Senator Evans, I have asked you to withdraw.
Senator Chris Evans—Mr President, if you do so, I withdraw.

The PRESIDENT—Good.

Senator Wong—I ask a supplementary question, Mr President. Given that the possibility of Australian Nuclear Energy Pty Ltd building a nuclear power station in the minister’s, and my, home state of South Australia has been raised, will the minister now indicate whether he would support this happening? Will the minister now, today, rule out supporting the establishment of a nuclear power facility in the state of South Australia?

Senator Minchin—I would remind Senator Wong that the company has already said in its statement today:

... the company has not put forward a proposal to build nuclear power plants in Australia.

I support government policy, which is that nuclear power must be on the table for Australia’s future energy needs, particularly if you are serious about seeking to reduce Australia’s greenhouse gas emissions. It is the Labor Party that is completely hollow on the question of climate change. They are not serious about the possibility of nuclear power in this country. They have no credibility whatsoever.

Smartcard

Senator Watson (2.07 pm)—My question is to the Minister for Human Services, Senator Campbell. Would the minister inform the Senate how the government is ensuring the efficient delivery of over $100 billion in health and social services? Further, are there any alternative approaches?

Senator IAN CAMPBELL—I thank Senator Watson for his very important question. I think one of the hallmarks of the Howard-Costello government is very strong economic management, ensuring that we deliver surplus budgets and low interest rates, and ensuring that the people of Australia can look forward to job security. That is at the heart of this government’s policies. Senator Watson knows better than most that we are also a government that are compassionate and that seek to ensure—

Senator Faulkner interjecting—

The PRESIDENT—Order! Senator Faulkner, shouting across the chamber is disorderly.

Senator IAN CAMPBELL—that those people in need also get the benefit of a compassionate government. You cannot have a good social security system that looks after veterans or people who are unemployed, or good medical services for people who are on low incomes and need the benefit of Medicare, if you do not have a strong economy. Part of that strong economy is ensuring that we deliver roughly $100 billion worth of health and other social services to people in an efficient and effective way—making sure they get their Medicare payments on time, making sure they get their Newstart allowances on time and making sure that veterans get their pensions on time.

The problem with Australia at the moment, however, is Medicare fraud. It is one of the areas we are trying to address. Unfortunately, when Labor in 1984 issued the Medicare card they gave it out to all and sundry with no robust registration checks—no checks on the identity of the people. When Labor rolled out Medicare we saw labradors, poodles and even the odd kelpie receive Medicare cards. So we are addressing this issue. Not only are we ensuring that we have a high-quality card to replace the Medicare card—a smartcard using the best technology—but also that we replace approximately 17 existing cards. A typical Australian senior at the moment could hold a Medicare card, an Australian organ donor registration card, a Commonwealth seniors card, a Centrelink low-income healthcare
card and possibly a Department of Veterans’ Affairs repatriation health card. The smart-card will allow that citizen to replace all of those cards with one card.

The alternative policies Senator Watson asked me to reflect upon are that the Labor Party are all over the place on this. As is their normal approach to everything, they are walking both sides of the street. Yesterday the member for Hotham suggested that, yes, we should have a new smartcard for Medicare and another one for veterans’ affairs. I think he was saying let’s have three or four new cards. The shadow spokesperson, the member for Sydney, suggested that we might have a smartcard but, look, if it is not in by June then we will not have one. Then you have other members saying no, they do not want one at all. They have now said—and this is a classic Labor Party approach to economic management, although mentioning ‘Labor Party’ and ‘economic management’ in the same sentence is I suspect an oxymoron—that they are not worried about welfare fraud. We know that the Federal Police Commissioner says there is between $1½ billion and $4 billion worth of fraud in the country. They are saying, ‘Forget the fraud.’ Instead of bringing in a new smartcard with a quality registration process they are just saying—

Senator Wong interjecting—

Senator IAN CAMPBELL—This is a serious suggestion from one of your own people, Senator Wong. I think it was Mr Crean who said that we should just put the billion dollars in the bank and save the interest. Last time we went to the bank after Labor had been running things for a few years we looked to see how much money was left and it was not $1 billion; it was actually minus $96 billion. So we know how Labor runs the show, we know that they cannot be trusted and we know that their approach to having a quality healthcare card and a quality Centrelink card is in a state of confusion. (Time expired)

Smartcard

Senator LUNDY (2.12 pm)—My question is also to the Minister for Human Services, Senator Campbell. Does the minister recall asserting in question time yesterday that critics of the access card were:

… on the side of the fraudsters, on the side of the roters—

and:

… they do not seem to mind that the existing system does create fraud.

Why is the minister so arrogant as to try and stamp out any debate about the access card, as he did by only allowing a truncated Senate inquiry into the proposal? Aren’t serious concerns about the access card being raised not just by Labor but also by the government’s own backbench, including Bronwyn Bishop, Steve Ciobo and Mal Washer? Does the minister think that Mr Ciobo, Mrs Bishop and Dr Washer are also:

… on the side of the fraudsters, on the side of the roters—

simply because he does not agree with them?

Senator IAN CAMPBELL—The great thing is that my colleagues whom Senate Lundy quotes are all supporting the legislation that is going before the Senate and the Labor Party are saying that they will not support it. Labor are all over the place. Here is a measure to save billions of dollars in welfare fraud. We want to ensure that we have a strong economy and you cannot have a strong economy if you have welfare cheats and Medicare fraudsters ripping off the system. Labor honestly said last night, ‘Let’s just put the billion dollars we will spend on the smartcard in the bank and collect the interest.’ We know what Labor does when it comes to putting money in the bank and col-
lecting interest: they take money out of the bank and then pay the bank interest—billions and billions of dollars. We want to stop the welfare fraud.

In terms of the Senate Finance and Public Administration Committee inquiry and the process of bringing the smartcard to the Australian people, we have had the legislation out for public consultation for nearly two months now and we have referred it to the Senate committee for just under six weeks. I recall how things were when this rabble on the other side were in power. Let us look at, as Senator Watson will remember, the Australian Securities and Investments Commission legislation. They brought legislation to set up the entire financial services regulation of Australia in here on the Tuesday, referred it to a committee on the Wednesday and had it passed on the Thursday.

We have put this new smartcard out for public consultation. We have set up an independent committee under Professor Allan Fels to make sure that people who want to have a say about it can have a say about it. We have had the legislation out there for months so that people can look at it. We have referred it to a Senate committee for a six-week inquiry. Quite frankly, if a Senate committee cannot look at a relatively simple piece of legislation like the smartcard legislation for a period of six weeks, it is a reflection on the people on the other side who are on that committee. I suggest that they put in the same effort and the same work to ensure—

Opposition senators interjecting—

The PRESIDENT—Order! There is too much noise on my left.

Senator IAN CAMPBELL—They are a rabble, a very noisy rabble. They squeal and squirm when the hypocrisy and the division within the Labor Party are exposed. I suggest that they do as my colleagues have done and get behind an initiative which will cut billion of dollars from welfare fraud. The coalition want to ensure we have strong economic management. You could not have that under Labor because they are all over the place on the delivery of welfare and health services. They want to turn a blind eye to welfare fraud. That want to turn a blind eye to Medicare fraud. They want to ignore the views of the Federal Police Commissioner who says that the Medicare card, as it is currently constructed, underpins billions of dollars worth of fraud. Labor want to turn a blind eye to it.

If people want their Medicare services delivered on time, if they want their Centrelink payments on time, we will make sure they get them. We will also ensure that the fraudsters, and the Medicare fraudsters, are kicked out of the system. Labor are the friends of the fraudsters. They should get behind the access card. They are the friends of the fraudsters. They should get behind—

Senator Chris Evans—Were you rolled or weren’t you?

The PRESIDENT—Senator Evans! You are setting a very bad example for your colleagues on your side of the parliament.

Senator Chris Evans—I raise a point of order, Mr President. In prior rulings, I thought you had dealt with the government calling people frauds and hypocrites, in general. You seem to have changed your rulings today. I would like you to have a think about your earlier rulings because it seems to me the Leader of the Government in the Senate was calling us hypocrites and Senator Campbell is now calling us frauds and that we support fraudsters. I ask you to look at your previous rulings and see whether that is really acceptable. It might explain why the opposition get agitated given that sort of attack.
The PRESIDENT—I will have a look at it, but the opposition seemed rather agitated before this question was even asked.

Senator Ludwig—Mr President, on the point of order: in a previous ruling—

Senator Ferguson—What is your point of order?

Senator Ludwig—The point of order is in respect of what Senator Evans has raised. Mr President, you said:

... I realise that former presidents have made rulings on that issue. I quote:

... offensive words against a group of members of either House may be regarded as a worse offence than directing such words to an individual member.

In that instance, Senator Vanstone said ‘now nearly racist Labor Party’. They were the words she used in the broad. Mr President, you asked for a correction and you ruled:

Under those circumstances, on reflection, I ask the minister to withdraw that comment.

On that basis, Senator Minchin should withdraw the comments that he made.

The PRESIDENT—I take your point of order. Senator, I was wrong when I called on individuals but, obviously, it applies just as much when you are speaking generally about those opposite as hypocrites. Perhaps you could withdraw that remark, Senator Minchin.

Senator Minchin—Mr President, that is not my understanding of the position. I thought the position was as you declared it: that a general reference to the Labor Party as guilty of hypocrisy was acceptable; that to accuse an individual senator of such a quality is not acceptable. Perhaps you could reverse your ruling and saying that the term ‘hypocrisy’ cannot be applied to the Labor Party then I obviously withdraw.

The PRESIDENT—It seems I have made a previous ruling and I have to abide by that, and I will.

Senator Chris Evans—Mr President, thank you for confirming that ruling. I urge you then to take similar action in terms of Senator Campbell.

The PRESIDENT—I think that that word was used both in the question and in the reply. I will look at that and—

Opposition senators interjecting—

The PRESIDENT—Okay. I will look at it and come back to the Senate.

Senator Wong—Mr President, on the point of order: in regard to the question that Senator Lundy put, insofar as she used the term ‘fraudster’ she was actually quoting the minister from yesterday.

Senator Faulkner—Which you allowed in order yesterday.

The PRESIDENT—All right, I will look at it. Senator Stott Despoja.

Senator Stott Despoja—In evaluating the Hansard from yesterday, would you make a judgement on Senator Campbell’s comments on the Labor Party, which he described as ‘on the side of the fraudsters, on the side of the rorters’ and when he went on to say that I was even worse. I ask you to review the specific reflection as well.

The PRESIDENT—I will have an extensive review on the comments that Senator Campbell made yesterday. Senator Lundy.

Senator LUNDY—I ask a supplementary question, Mr President. Aren’t the minister’s arrogant attacks on anyone who dissents from his view exactly the reason many Australians, including government backbenchers, are concerned about potential misuse of the access card? Why is it that the minister continues, even now, to be totally intolerant of the legitimate concerns about the access card?
Senator IAN CAMPBELL—I think it is really unfair to say that I am intolerant of those views.

Opposition senators interjecting—

Senator IAN CAMPBELL—Me, intolerant? I said at the Senate estimates committee hearing last week that I will listen very carefully to the views of people who have concerns about the access card, and I have—in between Senator Stott Despoja helping me with homework back in Perth. I said that we want to have a robust Senate committee hearing process on this. I have already met with Professor Fels. I met today with Mr Puplick, who is looking into all these issues and advising me on these issues. I want to make sure that the card does what it is designed to do: make sure people get their Medicare payments and that the right people get them, make sure people get their Centrelink payments, make sure people get their Veterans’ Affairs payments. We will ensure that it is a robust system and that people get access to it, and that privacy is protected.

(Time expired)

Voluntary Student Unionism

Senator FIFIELD (2.22 pm)—My question is to Senator Brandis, the Minister representing the Minister for Education, Science and Training. Will the minister update the Senate on the government’s implementation of the landmark voluntary student unionism legislation and how it is guaranteeing freedom of association on Australia’s university campuses? Is the minister aware of any alternative views?

Senator BRANDIS—I thank Senator Fifield for his question. History will record the decisive role of Senator Fifield, and of the member for Indi, Mrs Mirabella, and the member for Casey, Mr Smith, along with many in this chamber, including Senator Abetz and Senator Mason among others, in freeing future generations of Australian students from the shackles of compulsory student unionism—one of the great recent battles in the history of freedom in Australia.

Opposition senators interjecting—

The PRESIDENT—Senators on my left, there is no excuse for this noise.

Senator BRANDIS—When university students across the country began their first semester this week, they did so unburdened by the debts to unrepresentative student unions which past generations had suffered.

Opposition senators interjecting—

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

Senator BRANDIS—They have been liberated from the obscenity of being forced, against their will, to spend their own money funding causes they find disgusting and political organisations they find offensive. Thanks to the likes of Senator Abetz, Senator Fifield, Senator Mason and others, no more 17-year-olds’ pocket money is going into the pockets of the PLO or the southern Iraqi oil workers union or the ragtag terrorist organisations which the Australian Labor Party—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Evans, the behaviour of senators on your side of the chamber is very poor. I would ask you to bring them to order because they do not take any notice of me.

Senator BRANDIS—At the time the VSU legislation was debated in this parliament, we heard all sorts of extraordinary claims. Senator Nettle, for example, in this place on 9 December 2005 said that students are ‘having their throats and voices ripped out’. Other senators opposite predicted that the experience of university life would be single-handedly destroyed. Notwithstanding those hysterical claims, today voluntary student activity is flourishing on campuses
across the country, as I discovered last week when I visited O Week at the University of Melbourne.

One of the reasons why the introduction of VSU has proceeded so smoothly is the transitional funding provided by the government. Yesterday the Minister for Education, Science and Training, Ms Bishop, announced $58.2 million in funding for 37 projects under the Voluntary Student Unionism Transition Fund and the Support for Small Businesses on Regional University Campuses Program. Thirty-four of these projects are located on regional campuses. The projects supported by these grants provide students all around Australia with improved services and facilities which promote social interaction and good health. For instance, James Cook University will receive over $4.6 million for a new fitness facility at its Townsville campus, the University of New England will receive $5 million for a new multipurpose hall and to upgrade their gymnasium and swimming pool, Wollongong University will receive over $5 million for a multipurpose sports facility and a medical facility and the University of Southern Queensland will receive $5 million for sports facilities at its Wide Bay, Springfield and Toowoomba campuses. VSU has put $160 million into the pockets of Australian university students, who can now make choices about what services they support. Even more importantly, it has enabled them to live their student lives in conditions of freedom, not extortion—of choice, not compulsion.

Opposition senators interjecting—

The PRESIDENT—When the Senate comes to order, we will move on. If you wish to continue question time, I would suggest that we reduce the noise in the chamber.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I would like to draw the attention of honourable senators to the presence in the President’s Gallery of Mr Helge Sander MP, Minister for Science, Technology and Innovation in the Kingdom of Denmark. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Advertising Standards

Senator STEPHENS (2.28 pm)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Has the minister seen the report by the Australia Institute which warns of the dangers of advertising that sexualises children? Is the minister aware that research suggests that such advertising jeopardises the healthy development of children, can lead to severe eating disorders and sends a message to paedophiles that children are sexually available? Does the minister share community concern about advertising that sexualises children in the interests of the corporate bottom line and will the government strengthen media legislation to protect our children from exploitation?

Senator COONAN—I thank Senator Stephens for her question. Yes, the government does take very seriously indeed advertising in relation to sexuality and the depiction of children in the media. The Children’s Television Standards impose obligations on broadcasters regarding the depiction of content and the times at which those matters can be broadcast. The Children’s Television Standards are currently being reviewed by the regulator, and the role of these matters in advertising is clearly going to be considered. The review is going to be undertaken later this year and should be completed early next year.
All commercial television broadcasters are also governed by the Commercial Television Industry Code of Practice. The code covers, amongst other things, obligations regarding advertising and depiction of children and is designed to reflect prevailing community standards. The review of the code is due to commence in July 2007. It is worth pointing out also for Senator Stephens’s information that the Australian Association of National Advertisers code relating to advertising to children is obviously also relevant in relation to content.

In July 2006 the government launched broader initiatives relating to healthy living that certainly affect matters such as advertising not only in terms of sexuality and depiction. That particular initiative relates to obesity and other issues of great significance to children. The issue really is that the government takes this matter seriously, together with all of the matters that the government is undertaking in relation to the initiatives on pornography and the depiction online of images of children. We are very serious about the review of these standards so that they can not only appropriately reflect community standards but also address the various serious concerns that parents have had as to the sexualisation of children and the times at which these matters might otherwise appear. We will be inviting submissions for the review of the code. Requests for those, as I understand, will be advertised in the press shortly.

Senator STEPHENS—I ask a supplementary question, Mr President. I thank the minister for her answer. Is the minister aware that the retailer David Jones is suing the Australia Institute because the institute criticised its use of children in company advertisements? Does the minister think it is appropriate for big business to use the Trade Practices Act to circumvent state laws preventing companies from suing for defamation? Isn’t this just an attempt to bully not-for-profit researchers into silence on an issue of widespread public concern? When will the government act to stop this abuse of the legal system?

Senator COONAN—I would not accept that that is an abuse of the system. I do not know the instance that Senator Stephens refers to, so it is certainly not appropriate for me to comment further. However, I do make the point that, under the national system of advertising, advertisers are expected to comply with the advertisers code of ethics and the code of advertising for children. They have actually been adopted by the Australian Association of National Advertisers. The codes contain a range of provisions relating to taste and decency and are intended to reflect community values and expectations.

We are reviewing this particular matter, as I said in my primary answer. Complaints about any advertising, of course, can be made and obviously they have to be fair complaints. The processes by which anyone is accused of not complying with these codes have to be fair processes, Senator Stephens. Beyond that, because I am not aware of the circumstances, I do not believe it is appropriate to comment. The framework is there and the framework is working appropriately.

Aged Care

Senator PATTERSON (2.34 pm)—My question is to the Minister for Ageing, Senator Santoro. I ask the minister to advise the Senate of measures the Howard government is taking to assist elderly Australians who choose to stay in their homes with greater choice and care options. Is the minister aware of any alternate views in this area?

Senator SANTORO—I thank Senator Patterson for her question. This is a question which moves me to talk about one of the most essential psychological predispositions within ageing Australia—the absolute preference by older Australians to live independ-
ently and to receive care in their own homes wherever possible. It is a preference that Senator Patterson, as a very distinguished former minister for health and aged care, recognises, and I am very pleased to be able to build on the intuitively good work that Senator Patterson put into that portfolio.

The recently released $1.5 billion aged-care package clearly underscores the federal government’s appreciation of that essential desire of older Australians to live in their homes for as long as possible. I informed the Senate yesterday that the Prime Minister and I launched a $1.5 billion package of reforms to the aged-care sector called Securing the Future of Aged Care for Australians. There has been a lot of focus on capital and there has been a lot of focus on residential facilities, but one of the most essential components is community care. The new package funds $411 million over the next four years for community aged care and provision of respite for carers. We do not forget the workforce; we do not forget the carers. That is something which is essential to the package. These funds will create 7,200 new community aged-care packages at a cost of $297 million and in addition—this is important—10,000 respite days at a cost of nearly $28 million. The Howard government cares for carers.

There are also funds of around $32 million to enhance and develop the community care workforce, ensuring that older Australians who choose to remain in their own homes receive the highest quality care. This increase in community care packages means that the number of places will actually rise in proportion to the number of people aged 70 years and above. Currently there are 20 community aged-care places per 1,000 people aged 70 years and over, but in a few years time this ratio will rise to 25.

Our commitment to community care is in stark contrast to Labor’s approach which, when they were in government, barely recognised the preferences of people to stay at home. This is not just empty political rhetoric; the figures say it all. In 1996, under a Labor government, a person who wanted to stay in their own home in familiar surroundings and close to family, friends, churches and bowling clubs would have had a hard time finding the services and support they needed because by June 1996 there were just 4,431 community care places.

Senator Abetz—Is that all?

Senator SANTORO—Senator Abetz is right to ask the question despondently: ‘Is that all?’ By June 2006 there were 38,492 community care places, an increase of over 860 per cent, and we are now about to add another 7,200 places to this number over the next four years. Today the Labor Party still fails to appreciate the value that elderly Australians place on community care packages, with Labor’s shadow minister, a senator in this place, continually fiddling with figures by ignoring community places and misleading journalists with dodgy figures. There are a lot of senators in this place that do not know the value of these aged-care packages. An EACH package delivers $39,055, and an advanced aged-care package in the community as to EACH dementia is $45,048—that is what they are worth. (Time expired)

Renewable Energy

Senator MILNE (2.38 pm)—My question is to the Minister representing the Prime Minister, Senator Minchin. Given the Prime Minister’s statements that solar thermal technology cannot provide baseload power and, on the other hand, that the pre- and post-combustion carbon capture and storage of carbon dioxide from coal-fired power stations will provide baseload power and save jobs in the power stations in the Hunter Val-
ley within 15 years, will the minister confirm that the Prime Minister or the government has research to underpin these statements? Will he make public the figures, plans or modelling that underpin where and how it is envisaged that pre and post carbon capture and storage will be implemented within 15 years in the Hunter Valley when no suitable geological storage structures exist?

Senator MINCHIN—The interest of the Greens in renewable energy is acknowledged. Indeed, I would ask the Greens to acknowledge the extent to which the government has poured considerable resources into the advance in research in renewable technologies in this country—and recently we applied a significant amount of money to a solar power station in Victoria. But it is quite clear, and I am sure the Greens would acknowledge this, that baseload power to run factories around the country and homes and to provide on tap the sort of electricity which Australians now require is really only possible, without greenhouse gas emissions, from nuclear and clean coal. That is the advice from the Chief Scientist to the government: that, in terms of the known technologies and what is capable of producing baseload power for this country, you only have available to you clean coal—and we welcome the fact that the Labor Party have now come on board in relation to clean coal and made it clear that they intend, if in government, to put more resources into clean-coal research. That has been the emphasis that we have placed on this for many years, that one of the keys to the control of greenhouse gas emissions has got to be clean coal research. The other is of course nuclear. There are many countries around the world relying on nuclear power and not producing any greenhouse gas emissions as a consequence. Again, the Greens are like the Labor Party and, while I am not allowed to use the ‘h’ word, can I say both parties—

Senator Bob Brown—Mr President, I rise on a point of order. Senator Milne’s question was specifically about solar thermal as a real option. If the minister does not understand, has no idea about it and has no knowledge about it at all, he should say so; otherwise he should answer the question.

The PRESIDENT—There is no point of order. I cannot direct the minister how to answer the question. I can remind him of the question. He has two minutes and 20 seconds to complete his answer.

Senator MINCHIN—Mr President, I am just reporting on the advice to the government—and I think it is widely accepted—that, of the known technologies available to a country like Australia to produce near zero or zero emissions power at baseload level, we are looking to clean coal and nuclear. We are happy to see research in relation to solar thermal, and I gather there is a fair bit of research going on. I think Senator Campbell was involved in ensuring that the Australian government supported research on that source of power, but the advice to me is that it is certainly not proven that solar thermal is capable at this stage of providing the sort of baseload power which Australia would require. As I was saying before being rudely interrupted, I am not allowed to use the ‘h’ word, but the Greens are as guilty as the Labor Party of being two-faced on this question in scaremongering on the issue of climate change but ruling out the most significant known source of baseload power with respect to nuclear power, being the only available alternative source of zero emissions power.

Senator Nettle—Mr President, I rise on a point of order. The point of order is that the minister was asked about whether the government had done any research to back up their ideological statements. So rather than have him continuing with his ideological
statements and accepting there is no research done, I ask you, Mr President, to draw the minister’s attention to the question, which was about whether he has got any research to back up the claptrap he is trying to feed us.

The PRESIDENT—Senator, resume your seat. There is no point of order. Senator Minchin, you may resume your answer.

Senator MINCHIN—Mr President, on that score the greatest claptrap has come from the Greens, who want to close down Australia’s coal industry and put thousands of Australians out of work. The most inane policy I have ever heard announced by any parliamentarian in this country was Senator Brown saying we should shut down Australia’s coal industry. What an extraordinary, unbelievable statement, and I hope the Greens pay the price for that at the next federal election.

Senator MILNE—Mr President, I ask a supplementary question. I thank the minister for confirming that the government does not have any research or figures or modelling to underpin the claims about carbon capture and storage in the Hunter Valley. I ask the minister, and this probably goes to explaining why he does not understand the potential of solar thermal on baseload: why did the government suppress a research report from the CRC for Coal in Sustainable Development that said solar thermal could compete with coal-fired power on baseload by 2013? Why does the government continue to this day to suppress a report that demonstrates that the government’s much hoped for breakthrough with aqua-ammonia solvents in post carbon capture has been a complete failure? Will the government now produce a comprehensive list of research tasks and reports from that CRC so that the public can see what else the government is trying to hide about the promise of renewable energy and the problems with carbon capture and storage? Will you now release that list and the rest of the modelling?

The PRESIDENT—Order! That was a long supplementary question.

Senator MINCHIN—There were lots of questions there and I will have a look at the Hansard and see what information I can supply to Senator Milne, particularly with respect to the CRC. For the record, I remind Senator Milne that a company, Solar Heat and Power—as she is pursuing the issue of solar thermal technology—was successful in gaining a Renewable Energy Development Initiative grant of $3,254,028 in December 2005. To date, the government has paid 64 per cent of that grant. The company stated will retain the intellectual property developed so far and continue with Australian management. We are supporting that, but it is not at the proven stage. We are supporting alternative sources of energy, but the clear facts which for ideological reasons the Greens are incapable of recognising are that, for Australia to retain high living standards and jobs, the two main sources of zero emission technology available to produce baseload power are clean coal and nuclear, and it is about time they woke up.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of a parliamentary delegation from the European parliament, led by Mr Giles Chichester, Chairman of the Delegation for Relations with Australia and New Zealand. On behalf of all senators, I wish you a very warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Telecommunications

Senator NASH (2.46 pm)—My question is to the Minister for Communications, In-
formation Technology and the Arts, Senator Coonan. Will the minister advise the Senate of changes to mobile phone services in rural and regional areas and of how the government will continue to ensure existing coverage and services are protected? Is the minister aware of any alternative policies?

Senator COONAN—I thank Senator Nash for the question and for her longstanding and ongoing interest in regional Australia and world-class communications services. Mobile phones are, of course, now an essential communications device for most Australians. Despite our vast and varied terrain, we have managed to extend mobile phone coverage to 98 per cent of the population and there are now around 20 million mobile phones in Australia. This is the result of careful planning, targeted investment and appropriate regulation from this government to provide universal access to services in a competitive market. It is this approach which has seen the cost of telecommunications services decrease by more than 25 per cent since 1996. The quality and reliability of mobile phone coverage is of paramount concern to the government and, indeed, to all citizens.

The Australian government welcomes Telstra’s early upgrade to its Next G mobile network, which the carrier announced will see the world’s first 200-kilometre cell range and significantly higher speeds to extend the capacity of the network. However, the government is also committed to ensuring a smooth transition to the new network for CDMA users, particularly those living in rural, regional and remote areas. To ensure a smooth transition to Next G, I have established a working group to consider key issues such as the information Telstra provides to customers, handset availability and coverage. I have sought and obtained an assurance from Telstra that rural and regional areas will enjoy the same or better coverage and services under its replacement network, Next G. Even if this assurance is met at an earlier time, Telstra will not be switching off the CDMA network before the end of January next year.

To ensure adequate coverage before any switch-off is effected, I directed ACMA—the Australian Communications and Media Authority—last year to undertake coverage audits to verify the quality and reach of the new Next G service. I am pleased to announce today that the first of two national coverage audits has been completed by ACMA. The audit test showed CDMA coverage in nearly 100 representative sites across the country, and the audit tested almost 100 sites. The second national audit will test coverage of the Telstra Next G network. This will occur once Telstra advises that the new network is fully deployed.

Senator Conroy interjecting—

Senator COONAN—From the constant interjections opposite, I am sure that Labor is very embarrassed about the policies that it had when it was in government. We need only contrast our approach with the kind of treatment that rural and mobile phone users received under the last Labor government. When last in government, Labor simply shut down the old analog mobile network without having any kind of replacement network in place, leaving rural phone users simply stranded without a service. I think we know that, should they ever get back into government, there is a very dire risk that—

Senator Faulkner interjecting—

The PRESIDENT—Senator Faulkner, come to order!

Senator COONAN—Labor will cut back essential consumer safeguards, including the right to these very important, accessible and affordable services. Unlike Labor, this government is committed to providing quality
telecommunications services to all Australians, irrespective of where they live.

Aged Care

Senator McLUCAS (2.50 pm)—My question is to the Minister for Ageing. Is the minister aware of yesterday’s statement from Aged and Community Services Australia that, while they initially welcomed the government’s recent aged-care package, ‘as more detail became available on the various offsets and trade-offs contained within it, it became clear that the gains were modest and there were significant negative impacts’? Haven’t providers raised concerns that, under the package, some facilities will lose funding? Why is it that, two weeks after the package was announced, providers are still struggling to get the details they need to understand the impact of its implementation? If the minister is confident that there will be no losers, will he now release the modelling done by his department on the impact of the package, and can the minister also guarantee that no facility will be worse off under the package?

Senator SANTORO—I thank Senator McLucas for her question. This gives me the opportunity to again outline this to the Senate. I will answer Senator McLucas’s question very directly. To outline to Senator McLucas the magnitude of the package, $1.5 billion—

Senator Abetz—Big money.

Senator SANTORO—it is big money, as Senator Abetz says—will be in the 2007-08 budget. So it is not an election promise; it is actually a line item of $1.5 billion in the 2007-08 budget. There is nobody anywhere in this land or, indeed, anywhere else in the world where they understand English who would not recognise that this is a most significant contribution to securing the long-term welfare of ageing Australians. That needs to be stated time after time. The other thing that I should add is that the reason this government over 10 years has been able to increase the aged-care budget in this country from about $2 billion to—by the time that this package comes into full fruition, by 2011—over $10 billion in real terms, indexed, is the economic stewardship of this country by the Howard government.

Senator McLucas may want to jump on some bandwagon and talk about some implementation issues. Whenever there is a $1.5 billion package—in fact, when there is anything from a $200-million to a $500-million package—there will always be implementation issues. I stated that to the industry. I said, ‘Look, I can’t tell you what’s contained in this cabinet submission, because cabinet operates with confidentiality, but there will be issues and we will sort them out.’ What Senator McLucas did not do is quote from the rest of that media release. This is the problem that we have with the opposition: they are all into smoke and mirrors; they are all about selective quoting. What that particular release also says is: ‘We have raised our concerns with the government.’ And we recognise that they have concerns. Even $1.5 billion still leads to some people having concerns. What they said is: ‘We will continue to work with the government to find solutions.’ That recognises the consultative nature of this government. We are prepared to put our money where our mouth is when it comes to looking after ageing Australians; we are prepared to consult extensively, as I have done in the last 13 months that I have been Minister for Ageing; and we are prepared to consult, again, to make sure that we tweak and finetune a very courageous, a very well funded—

Senator Chris Evans—Courageous?

Senator SANTORO—Courageous in terms of the amount of money that we put forward. We could spend a lot of money in a
lot of places to keep on addressing Labor’s neglect from when they were in government, but what we are doing is securing the future and the welfare of ageing Australians. The commitment that I can make, not only to Senator McLucas but to the Senate, is that we will continue to work hard through both the development of sound policy and the proper funding to back it up, so that ageing Australians under a coalition government will be much better off than they were under Labor.

Senator McLucas—Mr President, I ask a supplementary question. I do note that there were no details in that answer—no guarantee that no facility would be worse off and no guarantee that there will be no losers. Can the minister confirm that, under the package, the government has just rebadged the pensioner supplement as capital funding when providers were already receiving this $2,260 per annum and using it to cover care costs? Isn’t this just an accounting trick to try and cover the capital funding shortfall in the high-care sector? Isn’t it inevitable that if providers now use these funds for capital costs they will have to cut back on care?

Senator Santoro—Let me address the issue of care very deliberately. I am not going to say anything other than quote somebody else’s words. We do care for pensioners and we do care for frail Australians. This is what somebody like Catholic Health CEO, Francis Sullivan, has said about elderly and vulnerable Australians and the care that they are going to receive—

Senator Chris Evans—Mr President, I rise on a point of order. In relation to both the original question and the supplementary question, the minister has made no attempt to answer. He can bluster all he would like to, but he was asked specifically about the pensioner supplement and its conversion. I think the Senate would appreciate an answer to the question, not more bluster.

The President—Senator Santoro, you have 36 seconds to complete your answer.

Senator Santoro—I wish I had more so that I could explain in greater detail in the hope that the opposition will understand it. What somebody like Francis Sullivan said—and, Mr President, you should listen to this when you are talking about care—is: ‘It is pleasing to see that frail, elderly people can also benefit from the country’s surplus and join in the process of prosperity.’ That says it all. It says that this government, through strong economic management, is providing for elderly, frail Australians. I have very definitively addressed the issue of care.

Governance

Senator Murray (2.57 pm)—My question is to Senator Minchin, the Minister representing the Prime Minister. Minister, during your visit to Perth last week for a cabinet meeting and other engagements, did you note strong media commentary concerning poor political governance and poor standards in politics in general? With the coming federal election, is your government going to assure Australians that you will have a policy to introduce much stronger governance standards to political parties, perhaps similar to those that apply now to unions and corporations? Does the government agree with media and public concern over WA cabinet considerations being procured for commercial profit, or does the government agree with media and public concern over the time of federal cabinet ministers being sold for political party profit? Is the government concerned that politics is for sale?

Senator Minchin—It is pretty hard, whether you go to Perth or stay here in Canberra, not to notice the extraordinary goings-on in Western Australia. I am sure Western Australian senators, particularly on the Labor
side, are deeply embarrassed by the revelations of Mr Burke’s myriad tentacles through the political structure and the bureaucracy of Western Australia, and the extraordinary goings-on with respect to cabinet ministers, the revelation of private cabinet meetings and the outcome of cabinet discussions to lobbyists of the ilk of Mr Burke—who we all thought had disappeared, but clearly he has resurfaced and is exerting extraordinary influence in Western Australia. However, those are matters that are currently being considered by the relevant commission of Western Australia—

Honourable senators interjecting—

The PRESIDENT—Order! There is too much noise in the chamber. I would ask senators on both sides to come to order.

Senator MINCHIN—Those are matters that are currently obviously before the relevant commission in Western Australia, and it may well be that charges are laid as a result of that. I do not want to impinge on that process, but I think everyone involved in politics on any side would be gravely disturbed by what we are seeing and hope that it would never occur at a federal level. I am not quite sure where Senator Murray is going with the question. I would be interested if he has any ideas or propositions with respect to how federal politics and the governance of federal parties, governments and oppositions can be improved.

I think it is true that both sides of federal politics in this country—and I say this with respect to the Labor Party when they were in government—are mercifully free of the taint that we have seen at state level not only in Western Australia but in other states. I think there is a very significant difference in the level of propriety that occurs at a federal level as compared with the state level. I think all state governments and state parliaments have much to learn from the revelations of what is going on in Western Australia. If Senator Murray—through you, Mr President—has any proposals that would advance the cause of good governance at a federal level, I would be happy to entertain them.

Senator MURRAY—Mr President, I ask a supplementary question. In responding to the minister’s request, I have detailed recommendations in my supplementary remarks to the Joint Standing Committee on Electoral Matters report into the 2004 election. The minister missed the second part of my question, which was about the time of federal cabinet ministers being sold for political party profit. That is also a question of media interest. Does the minister accept that he has confirmed that there will be no improvement in political governance and standards under the coalition? Does the minister accept that he has also confirmed that there will be no attempt to find ways for political parties to fund themselves without politicians, particularly ministers, having to sell themselves and their time? Tell me, Minister: just how much money did ministers, in Perth for a cabinet meeting, raise altogether by selling their time?

Senator MINCHIN—It is the reality of Australian politics that campaigning is an expensive business. Unless you go down the path of banning television and radio advertising, the fact is that communicating our messages to the Australian people does involve raising substantial sums of money, and both parties—when in government or in opposition—do seek to raise the funds to ensure that we can communicate our messages. As I say, on both sides of politics it is a fact that senior figures in respective parties attend fundraising functions. I think it is quite wrong to represent that as ministers selling their time. It is proper and within the rules that have been established for parties to raise funds, and the Democrats do it by making senior spokespersons available to attend
fundraising functions where Australians are prepared to contribute to the party of their choice and, in so doing, to have access to the representatives of those parties. But, of course, we make our time available for free all the time, and that is true of all politicians.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Smartcard

Senator LUNDY (Australian Capital Territory) (3.03 pm)—I move:

That the Senate take note of the answer given by the Minister for Human Services (Senator Ian Campbell) to a question without notice asked by Senator Landy today relating to a proposed access card.

I do this because Senator Campbell’s contribution reached a new low for the level of arrogance displayed by coalition government ministers. I think it is a sad reflection on the Howard government that, when you combine the contentious concept of an access card with a government with an appalling record on the management of information technologies, it is quite predictable that all we can expect is a dog’s breakfast. Today the pile of mush that is the access card got a bit mushier. The minister refused to back away from extremely arrogant remarks describing MPs who disagree with him as supporting fraudsters and rorters. If you have a read of Steve Ciobo’s contribution to the second reading debate on this issue in the other place, you will get a sense of just how critical the minister’s remarks are of his own party colleagues.

I think his comments are particularly arrogant when they are seen in light of developments today—reports from the coalition party room—that the government has been forced to bend to internal pressure and has now changed guidelines relating to the access card and how old you have to be to be automatically eligible for it. We know that the bill as it stands says that you have to be 18 to get the access card. This contradicts current practice for the Medicare card, which the access card is designed to supersede, because people of the age of 16 or over are eligible for a Medicare card. This is established, sensible policy that has been in place since Medicare was first introduced.

Now, as a result of internal party pressure, the Howard government is apparently introducing guidelines to permit people from the age of 15 to have access to an access card. The problem with this is—and this is where the dog’s breakfast comes into it: how can the bill proceed when it says that you have to be 18 or over but guidelines have now been flagged, introduced or drafted to provide for people over the age of 15 getting this card? We do not know if the guidelines protect the interests of young people. We do not know whether they are going to create a regulation or some sort of administrative instrument. The government itself is clearly engaged in a process of policy on the hop that has not been thought through even within the coalition party room, let alone in a decent debate in the parliament or in the public.

That takes me to a major point throughout the debate so far, and that is the appalling arrogance with which the coalition have treated the public debate. We heard the minister today imply that there was a six-week inquiry into this access card. What rubbish! There are three days worth of hearings within an extremely truncated two-week window in which the senators on that committee have the opportunity to conduct hearings, take evidence, hear witnesses, sift through it and prepare their reports. I challenge the minister to come back into the chamber and clarify precisely how long that inquiry will be, because it is not the six weeks he implied in today’s response to questions. I think it is another sign of the
government’s willingness to abuse their majority in the Senate when they inflict these kinds of decisions on Senate committees and force their way through this chamber. These are policy changes that the government have very poor form on.

We know from the debate so far that the access card’s success or otherwise is intertwined with the sorts of systems that underpin it—the software, the hardware, how that information will be accessed via the smartcard and the devices that can read the smartcard information. But I would like to remind my colleagues that this government have very poor form on IT management. I am of course referring to the IT outsourcing debacle that characterised the first eight years of the government’s time in power, where they systematically wasted taxpayers’ money and made false claims about savings on IT. The previous IT outsourcing debacle is a good analogy, I think, because here we are and the government are claiming that this card will create $3 billion in savings over an extended period of time. That savings figure has already been refuted. They are unable and unwilling to accurately benchmark current costs. The Department of Finance and Administration is running the process, and that ought to put the fear of God into every minister who has anything to do with it. The contract costs have already blown out to some $1.2 billion, leaving a mere $400 million between the estimated savings costs and the cost of the card itself. And we know, because of their poor management, that is likely to—(Time expired)

Senator BARNETT (Tasmania) (3.08 pm)—I stand to support the views of the government and, indeed, Minister Ian Campbell on this. The key principle is this: you want to support the system that supports you. You want to acknowledge the fact that the abuse of the system means that that are other more deserving recipients who will miss out. This is a point that the Labor Party seems to neglect: it is the people across the country in families, and the old and young alike, who will miss out. They will miss out on the appropriate level of support that they deserve. That is a key principle.

This is a government for all Australians and we want to support the system that supports everybody. Minister Campbell, I must say, should be congratulated for taking up the views—he has consulted widely, particularly in recent times—of not only members of the backbench but the AMA, people in the health industry sector and the like. I want to go back a step and acknowledge the work of the former Minister for Human Services, Joe Hockey, who spent a lot of time and effort—

Senator Mason—Hear, hear!

Senator BARNETT—Thank you, Senator Mason, for that. He put a lot of time and effort into this to ensure that the Australian government saves money so that we can support the system that supports you and so that those in need can receive support. Basically, the Australian government smartcard is a good system. It is not an ID card. I was one of those who, along with many others in Australia in the late 1980s, strongly opposed the proposal by the Labor Party for an ID card. I think the checks and balances with respect to the smartcard are certainly there.

Members of the Labor Party who were here in the parliament at that time obviously supported the ID card and it is to their shame and disappointment, no doubt in hindsight, that it got so far. Fortunately, through public opinion and the like it was stomped on. But this Australian government smartcard is different. It is going to be simpler, easier and more secure for millions of Australians to access their health and welfare entitlements.

The card will replace up to 17 separate cards. It will be the key for Australians to access more than $100 billion worth of gov-
ernment health and social service payments. It is also going to be a reliable way to ensure that the right people get the right services and payments. Interestingly, an independent report, not a government report but an independent report by KPMG, a firm of respected accountants, has estimated that this one card will save—wait for it—up to $3 billion of fraud over 10 years. That is a lot of money in anybody’s book. That is money that can be used wisely for the people who need it most: those on welfare and those who need it for healthcare services.

I also acknowledge that there will be an ongoing review by Allan Fels and his committee, the Access Card Consumer and Privacy Task Force, and that is important. He has an important role. There will be ongoing monitoring of the arrangements. If there are some technical matters that need to be sorted out or some feedback to be offered to the minister, then of course the minister and the government will take that into account.

We have a policy in this government of continual improvement. If we can make a better, tighter, more efficient service and a simpler, easier and safer system then that is exactly what is going to happen. The other key thing about this proposal that perhaps the Labor Party and others are not acknowledging is the voluntary nature of it. I say to the Labor Party: I want you to support the smartcard proposal. Do not have two bob each way; you cannot walk on both sides of the fence. That certainly seems to be what your leader is doing at the moment—he is walking both sides of the street. Certainly, if you are on both sides of the fence, you will be in big trouble.

Senator FORSHAW—The fork in the road!

Senator BARNETT—You will be in big trouble, Senator Forshaw—especially you!

(Time expired)
This is an incredibly tight timetable. Effectively, when the committee starts its public hearings this Friday it will have under two weeks to report on this very significant legislation that is going to impact on the lives of millions of Australians and their families. The government itself acknowledges that. Every person in this country who currently has a Medicare card—and that is pretty much everybody and their families—is going to be affected by this legislation. It is substantial.

Senator Barnett’s comment that it is a voluntary card is absolutely ludicrous. You cannot participate in the Medicare scheme—the scheme established by Labor and opposed by this mob over there until they worked out that the public actually supported it—without a Medicare card. This is going to be a compulsory card. And it is going to cost $1.2 billion over the next four years to implement this system. But the government says, ‘Oh, you can deal with it in two weeks in a Senate committee and report on it.’ It has taken them years to put this proposal together.

Those of us who were at the estimates hearing two weeks ago and took the opportunity to ask some questions of the public servants at the hearing will recall that the public actually supported it—without a Medicare card. This is going to be a compulsory card. And it is going to cost $1.2 billion over the next four years to implement this system. But the government says, ‘Oh, you can deal with it in two weeks in a Senate committee and report on it.’ It has taken them years to put this proposal together.

The opposition is cooperating with the processes for the consideration of this legislation before the committee, but nobody should ever accept this nonsense from Senator Campbell that somehow we have six weeks to do it. It is an outrage that a Senate committee should be expected to deal with this significant legislation in such a short time. There are major problems with the legislation in this proposal, as the government knows. Even this morning they announced further changes to the legislation. They are making changes on the run and yet they come in here and have the temerity to tell us that we should be able to complete the job within a couple of weeks. Frankly, this is going to come back to haunt you—just as you say the Australia Card came back to haunt us. The Australia Card was a good idea; this is not a good idea because you are getting it wrong and it will come back to haunt you at the next election.

Senator MASON (Queensland) (3.18 pm)—Senator Forshaw is right in the sense that this is an issue we should look at very closely. Certainly, the card has many advantages. It has potential disadvantages as well. It is a difficult issue. What we should not allow to happen, Senator Forshaw, is the rhetoric of privacy to overshadow the debate. We should have a proper debate over the issue, and look at the safeguards.

I think the two aims of this card are, firstly, to combat fraud and, secondly, to improve access. They are both worthy aims. I think both sides of parliament agree with the aims of the process. Combating fraud is an issue of social justice—people should not be able to claim benefits they are not entitled to. Benefits should go to those people who are entitled to them and who need them. In relation to improving access, again I suspect that all senators would agree that access should be improved. There are difficulties at times with people gaining access. I remember last year when the cyclone hit Far North Queensland. People did not have access to welfare, and this access card would have made it easier.
So in a sense we are not really arguing about the aims. I think all senators agree that the aims are appropriate. It is whether the safeguards are sufficient. Those safeguards have been gauged in three locales over the last 12 to 18 months. The consultation has taken three forms. First of all, there has been the independent committee chaired by Professor Fels. That task force has reported twice and the government will continue its consultations with those interested groups to ensure that the implementation of the access card meets the needs and the expectations of all Australians. To date, Professor Fels has undertaken over 160 consultations and has received more than 100 submissions. This is a big-time report. He has looked at it objectively and he has reported to the government.

The access card website has received over 500 email comments from members of the public. The access card information hotline has received over 1,800 calls and there have been ongoing briefings to stakeholder groups and the media. The Fels report is on the web. It has been an excellent summation of the issues.

Secondly, and my friend Senator Forshaw mentioned this, the debate has already commenced in Senate estimates. We did not breach Senate standing orders by debating the legislation; we did look at the process. I accept that there are issues that we have to address. But let us not let the privacy rhetoric and the scaremongering get the better of us. Let us actually have a look and see whether those two aims—of deterring fraud and of improving access—can be achieved with safety and security of privacy. That is really the good public policy issue here.

Senator Forshaw—Was I right about the boxes?

Senator MASON—I was not quite sure what was in the boxes. It might have been your files, Senator Forshaw! Over the next few weeks there will be a Senate inquiry, which I am chairing and for which Senator Forshaw is the deputy chair. It is an important inquiry. We are sitting for three days.

Let us be quite frank about this. If we all agree—and I think that we do—that the aims to combat fraud and to improve access are good, the question then will be: what are the safeguards for privacy and how do we stop function creep in the utility of the card? You are right about the Australia Card in one sense. It is easy to scare the Australian public about the smartcard. But it may in fact be the right public policy tool—and I think it is—to stop fraud and to improve access. You may in fact score some political points from this, as the Labor Party did with a very good policy initiative such as the GST. The Labor Party was wrong on that but nearly won the 1998 election on the back of it. All I am asking for and all the government is asking for is that this issue be looked at seriously, comprehensively, diligently and with senatorial purpose.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (3.23 pm)—I too rise to take note of the answers from the minister about the access card and I acknowledge Senator Mason’s contribution. He really made the case that we do need a much longer and more comprehensive review of the legislation as it stands because there are so many issues outstanding.

First of all, I put on record that there is no-one on this side of the debate against the use of smartcard technology in service delivery. We do want to improve service delivery and reduce fraud in the system. That does not mean that we have to support the proposal we have in front of us with the access card. Certainly the concerns that have been raised and that were belittled by the minister in the Senate today just make us think more clearly
about what problems are confronting us. We heard dismissive comments from the minister, who was not really interested in or prepared to listen to the dissent. We heard him belittle his own colleagues on his own back bench about their concerns, which involve not only privacy but also the abuse of this new access card for fraudulent purposes. We heard him belittle his own colleagues on his own back bench about their concerns, which involve not only privacy but also the abuse of this new access card for fraudulent purposes. We heard him mislead the Senate, I think it could be said, in the sense that, as Senator Forshaw said, we do not have six weeks to consider this very important piece of legislation. We have got just a few weeks to consider the issues involved. And this morning we heard that the legislation is being amended as we move to consider it—so this is a moving feast.

This brings us back to a critical issue in the Senate. More and more we are seeing legislation drafted in haste and rushed through this chamber simply on a whim of the government. Such a truncated process does not allow a good public policy outcome to emerge from a comprehensive Senate inquiry; instead we are faced with a limited inquiry. We have dissenting voices. Not only have submissions to the inquiry been belittled; quite genuine concerns held by members of the public are just being dismissed out of hand.

Another real concern that I have is the registration process and how that is going to operate out in rural and regional Australia. The idea that every person over 18—I think about 16½ million people on the government’s estimates—will have to register for this card needs to be examined. How that is going to happen is a mystery to me. It is an ambitious process that the government has really underestimated with respect to both costs and logistics. Yet it is not an issue that the minister wants to hear any constructive comments about, let alone any criticism. That is just one of the issues that concerns me.

We have real concerns from the industry that the entire technology associated with this access card is being subcontracted out to a range of providers. The government’s whole record of technology adaptation and adoption has not been very well proven in the past, so how is the technology around this card going to be safeguarded in the future? There are many issues and concerns that this legislation raises, and the dismissive attitude of the minister today in dealing with questions both from his own side of politics and from the senators on this side of the chamber really did him a disservice that I think we are all going to see much more of.

Question agreed to.

Renewable Energy

Senator MILNE (Tasmania) (3.27 pm)—I move:

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

You will recall that in Al Gore’s film, An Inconvenient Truth, Mr Gore made a statement to the effect that you cannot make a man understand when his job depends on not understanding. I think that is the classic case of what is going on with the Prime Minister and this government when it comes to baseload power and the potential of solar thermal technology to deliver baseload power compared with carbon capture and storage.

There are two issues that I want to raise. Firstly, the Prime Minister has said repeatedly, and he continues to say to this day, that solar thermal cannot provide baseload power. He is wrong and the government today utterly and absolutely refused to say what evidence, what science, what of anything at all they have to underpin those statements. I refer the minister to a report from the Coop-
erative Research Centre for Coal in Sustainable Development, the conclusion of which states:
It should be noted that a 35 by 35 square kilometre area with storage in a high irradiance, low cloud cover location using solar thermal power generation could produce Australia’s entire power demand currently—
I repeat: ‘could produce Australia’s entire power demand currently’. It goes on to say:
It is predicted by others that the cost of electricity from concentrated solar technology will become equal to coal fired generation when the concentrated solar technology in stored capacity is 5,000 megawatts worldwide, and the target is to achieve this by 2013.
Solar Heat and Power, to which the minister referred, has a small presence here in Australia but has largely gone offshore because Arnold Schwarzenegger has required that utilities in California purchase 20 per cent of their energy as renewable energy, and they are even talking about signing up Solar Heat and Power to produce vast amounts of solar thermal technology. It has been operating in California for 25 years.
So the first point I make is that the Prime Minister is wrong. He has no basis whatsoever for saying that solar thermal cannot produce baseload. And David Mills himself, on Alan Jones’s program, said: ‘Two regions in New South Wales—one near Bourke and one near Moree—have the capability to provide the energy needs of two billion people at a European living standard.’ The Prime Minister was specifically asked about it on that day. And he said that he would be very interested in getting that material. So why is it that the government refuses to read the reports from their own scientists? Why do they refuse to read the reports when the information is sent to them? Why are they happy to see these jobs going offshore in favour of carbon capture and storage? That report, from the CRC, was suppressed. The Prime Minister apparently did not want the community to know that solar thermal power is a viable producer of baseload power.
At the same time there is another report from the CRC being suppressed, and this one demonstrates that the government’s much hoped for breakthrough in clean coal technology has been an utter failure. Currently, post carbon combustion capture and storage requires not only sequestration but also getting the carbon dioxide out of the gas stream. And to do that they use traditional solvents at the moment which make it hideously expensive. It will never be economically viable. They have been working on a new solvent process that they thought would bring the price down. This CRC has done a report saying: ‘It is a failure. It does not work. Large amounts of ammonia are escaping. It will never be economically viable.’ They are back to square one.
Yet the Prime Minister continues to tell people that carbon capture and storage is well on the way. And today the minister could not identify a single document, report, map or model that showed any potential in the Hunter Valley for carbon capture and storage, because there are no suitable geological structures in which to store the carbon dioxide. Like the climate sceptics, the Prime Minister just comes out and makes a statement based not on fact or on research. In fact, they go out of their way to suppress the research that contradicts the Prime Minister, so it is not even accidental—it is something that is being done to support an ideological position. And the horror of it all was seen yesterday in Rio Tinto giving evidence in this place, saying governments will need to provide substantial financial support to the energy industry to capture and store greenhouse gases from facilities such as coal-fired power stations. *(Time expired)*
Question agreed to.
PETITIONS

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

Child Abuse

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

This petition of certain citizens of Australia draws to the attention of the Senate, the lack of a specific offence covering the transmission of child pornography and child abuse material via mail within Australia.

Your petitioners therefore ask the Senate to make laws that:

• Create a new offence of transmission by mail of child pornography and child abuse material, with a maximum penalty of ten years imprisonment.

by Senator Calvert (from 28 citizens) and Senator Humphries (from 106 citizens)

Petitions received.

NOTICES

Presentation

Senator Allison to move on the next day of sitting:

That the Senate:

(a) notes the recent polling conducted by the Australian Research Group on community attitudes to climate change solutions which found that:

(i) Australians want to embrace new, clean renewable energy technologies to deal with the challenge of climate change,

(ii) Australians support a future based on new renewable energy industries rather than a continuing reliance on coal or a move to nuclear power, and

(iii) the renewable options of more solar panels (91 per cent support) and more wind turbines (82 per cent support) were favoured alongside the proposal of reducing overall energy consumption (78 per cent support); and

(b) calls on the Government to introduce effective policies that will result in significant clean energy investment and greenhouse abatement through support for:

(i) the renewable energy market, by extending and expanding the existing Mandatory Renewable Energy Target, a renewable energy trading ‘green’ certificate scheme,

(ii) the increased deployment of solar power through dual market of continuing the photovoltaic rebate scheme and introducing a feed-in-tariff,

(iii) energy efficiency markets, by introducing a national energy efficiency target and an energy efficiency trading ‘white’ certificate scheme, and

(iv) a transition to clean energy, by introducing a carbon emissions target and carbon emissions trading ‘black’ certificate scheme.

Senator Nettle to move on the next day of sitting:

That the Senate:

(a) notes that:

(i) 8 March is International Women’s Day,

(ii) International Women’s Day is now an official holiday in Armenia, Russian Federation, Azerbaijan, Belarus, Bulgaria, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Mongolia, Tajikistan, Ukraine, Uzbekistan and Vietnam, and

(iii) recent average weekly earnings data from the Australian Bureau of Statistics show that female earnings are 66 per cent of male earnings; and

(b) calls on the Government to:

(i) take immediate action to address wage discrepancies between Australian men and women,

(ii) reinstate the Office for the Status of Women in the Department of the Prime Minister and Cabinet, and

(iii) repeal the WorkChoices legislation, which is disadvantaging female workers.
Senator Nettle to move on the next day of sitting:

That the Senate:

(a) notes that:

(i) the term ‘comfort women’ refers to an estimated 200,000 women who were forced into sexual slavery by the Japanese Government during World War II,

(ii) the enslavement of comfort women was officially commissioned and orchestrated by the Government of Japan to include gang rape, forced abortions, sexual violence, human trafficking and numerous other crimes against humanity,

(iii) for the past 16 years, since 1992, survivors in Korea have been holding weekly ‘Wednesday demonstrations’, and

(iv) on 7 March 2007 the ‘Friends of Comfort Women’ in Australia will hold a similar Wednesday demonstration at midday outside the Japanese Consulate in Sydney; and

(b) calls on the Government to:

(i) demand an official and unequivocal apology from the Japanese Government for its sexual enslavement of comfort women during the duration of World War II,

(ii) urge the Japanese Government to establish a system of payment and reparations to the comfort women, and

(iii) urge the Japanese Government to accurately teach the history of comfort women in Japanese schools.

Senator Nettle to move on the next day of sitting:

That the Senate:

(a) notes:

(i) that on 28 February 2007 people around the world will participate in an international day of action against the proposed Salween dams in Burma and along the Thai-Burma border, and

(ii) the Salween dams will permanently degrade Southeast Asia’s longest free flowing rivers, fisheries, floodplains, teak forests and wildlife habitats, and flood villages and fertile agricultural land; and

(b) calls on the Government to oppose the dams and to place pressure on the Thai and Burmese Governments to halt plans to dam the Salween River.

Senator Nettle to move on the next day of sitting:

That the Senate calls on the Government to return Mr David Hicks to Australia.

Senator Stephens to move on the next day of sitting:

That the Senate:

(a) notes the sudden death of Mr Murray Chapman in Canberra on 23 February 2007;

(b) acknowledges:

(i) the contribution of Mr Chapman’s energy, commitment and dedication to the land rights movement during his long and distinguished career in Aboriginal affairs at both the national and the state level, with the Aboriginal and Torres Strait Islander Commission, the Human Rights and Equal Opportunity Commission and the Indigenous Land Corporation, and

(ii) his appointment, in November 2003, as New South Wales Aboriginal Land Council Administrator, a position he served with distinction until his sudden and premature passing; and

(c) expresses its condolences to Mr Chapman’s family, the Land Council network and the broader Indigenous community.

Withdrawal

Senator Watson (Tasmania) (3.33 pm)—Pursuant to notice given on the last day of sitting, I shall now withdraw business of the Senate notices of motion Nos 1 to 3 and 5 to 7 standing in my name for five sit-
ting days after today, and business of the Senate notices of motion Nos 1 and 2 standing in my name for nine sitting days after today.

Postponement

The following item of business was postponed:

Business of the Senate notice of motion no. 1 standing in the names of Senators Siewert and Milne for today, proposing the reference of matters to the Rural and Regional Affairs and Transport Committee, postponed till 28 February 2007.

COMMITTEES

Environment, Communications, Information Technology and the Arts Committee

Extension of Time

Senator PARRY (Tasmania) (3.35 pm)—At the request of the Chair of the Environment, Communications, Information Technology and the Arts Committee, Senator Eggleston, I move:

That the time for the presentation of reports of the Environment, Communications, Information Technology and the Arts Committee be extended as follows:

(a) Australia's national parks—to 29 March 2007; and

(b) Australia's Indigenous visual arts and craft sector—to 12 June 2007.

Question agreed to.

Foreign Affairs, Defence and Trade Committee

Extension of Time

Senator PARRY (Tasmania) (3.35 pm)—At the request of the Chair of the Senate Standing Committee on Foreign Affairs, Defence and Trade, Senator Johnston, I move:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade Committee on Australia's public diplomacy be extended to 12 June 2007.

Question agreed to.

Foreign Affairs, Defence and Trade Committee: Joint Meeting

Senator PARRY (Tasmania) (3.35 pm)—At the request of the Chair of the Joint Standing Committee on Foreign Affairs, Defence and Trade, Senator Ferguson, I move:

That the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold public meetings during the sittings of the Senate on Wednesday, 28 February 2007, and Wednesday, 21 March 2007, to take evidence for the committee's inquiry into Australia's trade with Mexico and the region.

Question agreed to.

Public Accounts and Audit Committee

Meeting

Senator PARRY (Tasmania) (3.35 pm)—At the request of Senator Watson, I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold public meetings during the sittings of the Senate as follows:

(a) on Wednesday, 28 February 2007, from 11.30 am to 1 pm, to take evidence for the committee's review of Auditor-General's reports; and

(b) on Thursday, 1 March and 29 March 2007, from 10.30 am to 1 pm, and Wednesday, 28 March 2007, from 11.15 am to 1.30 pm, to take evidence for the committee's inquiry into financial reporting and equipment acquisition at the Department of Defence and the Defence Materiel Organisation.

Question agreed to.

Community Affairs Committee

Meeting

Senator PARRY (Tasmania) (3.35 pm)—At the request of Senator Humphries, I move:

That the Community Affairs Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 1 March 2007, from 3.30 pm, to take evidence for the commit-
tee’s inquiry into the provisions of the Aged Care Amendment (Security and Protection) Bill 2007.

Question agreed to.

**Legal and Constitutional Affairs Committee**

**Meeting**

**Senator PARRY** (Tasmania) (3.35 pm)—At the request of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Payne, I move:

That the Legal and Constitutional Affairs Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 1 March 2007, from 4.30 pm, to take evidence for the committee’s inquiry into the provisions of the AusCheck Bill 2006.

Question agreed to.

**QANTAS SALE (KEEP JETSTAR AUSTRALIAN) AMENDMENT BILL 2007**

**First Reading**

**Senator FIELDING** (Victoria—Leader of the Family First Party) (3.35 pm)—I move:

That the following bill be introduced: A Bill for an Act to protect Jetstar from foreign ownership and ensure jobs and operations stay in Australia, and for related purposes.

Question agreed to.

**Second Reading**

**Senator FIELDING** (Victoria—Leader of the Family First Party) (3.35 pm)—I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

Family First believes it is a huge concern that there is nothing to prevent Jetstar being sold off to overseas buyers, and jobs and operations being sent offshore, if the Qantas takeover succeeds.

Securing Australian jobs for workers and their families is Family First’s top priority.

That is why Family First is introducing legislation today to protect Jetstar from foreign ownership and help stop jobs and operations from going offshore.

Earlier this month, the government admitted there was a loophole in the Qantas Sale Act 1992 which means the legislation does not apply to Qantas subsidiaries like Jetstar.

The Treasurer has subsequently confirmed that Jetstar is not subject to the Qantas Sale Act 1992, but despite this, it appears the government will do nothing about it.

That is not good enough.

Qantas has made huge profits through its budget carrier Jetstar and plans to further drive down costs, particularly labour costs, to reap even bigger returns.

The easier way to do that is to send jobs and operations offshore where labour costs are cheaper.

Michael Ryan, a pioneer of low-cost air travel with Ryanair, was recently asked his thoughts about Qantas and Jetstar and told the Bulletin: ‘I imagine what they [Qantas] are trying to do is put as many of Qantas’ routes into Jetstar [as possible].’

Cutting costs to the bone might deliver huge profits but the livelihoods of Australian workers and their families must not be sacrificed in the process.

The Australian and International Pilots Association shares Family First’s concern and yesterday took the matter to the Federal Court, arguing the legislation should apply to Qantas subsidiaries and calling for clarification.
However, we should not leave it to the courts to clear up this situation.

Family First believes this is an important matter the Australian Parliament must clarify.

There are media reports that some government MPs also share Family First’s concern that there is nothing to prevent Jetstar being sold off and jobs and operations being sent offshore.

If these senators and members are genuinely concerned, Family First hopes that is reflected by these senators and members supporting our efforts to close this loophole.

Will these government MPs act to protect workers and their families from seeing their jobs disappear overseas?

Will they support Family First’s commonsense bill to give workers and their families a fair go? Or will they abandon workers and their families?

As previously mentioned, the growth of the airline industry has been in low-cost carriers and Qantas has reaped huge profits by transferring its routes to the much leaner Jetstar, which already flies to New Zealand, Japan, Bali, Thailand and Hawaii.

Most of the 70 new planes Qantas has ordered will go straight into Jetstar which will move more into Asian markets and reportedly plans to consider flying to Europe and the US east coast.

There is sufficient cause to be alarmed, particularly considering that, late last year, there was a cloud over 460 heavy maintenance jobs at Melbourne Airport.

Furthermore, last March, 480 heavy maintenance jobs were lost in Sydney when Qantas shut that operation.

Family First wonders what will happen to Jetstar workers and their families who do not have the protection of the Qantas Sale Act 1992?

As I said at the outset, securing Australian jobs for workers and their families is Family First’s top priority.

That is why Family First is introducing this legislation to amend the Qantas Sale Act and ensure the restrictions that apply to Qantas—including rules about maintenance, training and administration—also apply to Jetstar and other Qantas subsidiaries.

I commend the bill to the Senate.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

OVARIAN CANCER

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.37 pm)—I, and also on behalf of Senators Ferris, Moore and Nettle, move:

That the Senate—

(a) notes that

(i) National Ovarian Cancer Awareness Week runs from Sunday, 25 February to Sunday, 4 March 2007,

(ii) more than 1 000 women get ovarian cancer every year,

(iii) between 1991 and 2001 there was a 23 per cent increase in the number of new cases of ovarian cancer and other cancers of the female genital organs, and

(iv) the relative 5 year survival rate for ovarian cancer is less than half that for breast cancer;

(b) draws attention to the Community Affairs Committee report Breaking the silence: A national voice for gynaecological cancers which was tabled in the Senate on 19 October 2006; and

(c) calls on the Government to implement the recommendations in the report.

Question agreed to.

MR SALAH UDDIN SHOAIB CHOUDHURY

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (3.38 pm)—by leave—I move the motion as amended:

That the Senate—

(a) notes:

(i) the plight of Mr Salah Uddin Shoaib Choudhury, a Bangladeshi journalist who is on trial for sedition, an offence punishable by death, because as editor of an English-language newspaper he
has been critical of Islamic extremism and has expressed his belief in interfaith dialogue, particularly between Christians, Muslims and Jews.

(ii) that Mr Choudhury was detained in Dhaka Central Jail in November 2003 for passport violation, was charged with sedition, interrogated and was held in prison for 17 months without legal recourse until April 2005 when he was released on bail after intervention by the United States Department of State,

(iii) that on 6 July 2006 Mr Choudhury's newspaper offices were bombed by an Islamic extremist organisation after the newspaper published articles in support of the Ahmadiyya Muslim minority,

(iv) that on 18 September 2006 a Bangladeshi judge ruled that Mr Choudhury would stand trial for sedition and that his trial commenced, only to be suspended when a state of emergency was declared in Bangladesh on 11 January 2007 and a caretaker government was installed by the military on 22 January 2007,

(v) that Mr Chouldhury's trial has been suspended while the new government is established, and

(vi) that the previous government admitted that there was no basis for the charges against Mr Choudhury and the Public Prosecutor testified that there was no evidence against him; and

(b) calls on the Government of Bangladesh to:

(i) ensure a fair trial for Mr Choudhury,

(ii) ensure his confiscated possessions are returned, and

(iii) investigate those responsible for his harassment and intimidation.

Question agreed to.

NUCLEAR WEAPONS

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.38 pm)—I move:

That the Senate:

(a) notes the growing international concern regarding nuclear weapons proliferation, as shown by the:

(i) decision by the advisory board of the Bulletin of the Atomic Scientists, on 17 January 2007, to move the hands of the ‘Doomsday Clock’ from 7 minutes to midnight to 5 minutes to midnight,

(ii) statement by the Director General of the International Atomic Energy Agency and Nobel Peace prize winner Mohammed El Baradei, on 9 January 2007, stressing that 'In addition to non-proliferation, it is also important to make progress on the second leg of the NPT – namely, the commitment by the nuclear weapon States to proceed in good faith towards complete nuclear disarmament',

(iii) statements published in the Wall Street Journal of 4 January 2007, by Henry A Kissinger, George P Schultz, William J Perry and Senator Sam Nunn, emphasising the urgency of agreed practical steps to achieve a world free of nuclear weapons, and

(iv) statements by Kofi Annan, on 28 November 2006, and the Rome Summit of Peace Nobels, on 19 November 2006, emphasising the urgency of eliminating nuclear weapons; and

(b) calls on the Government to:

(i) review all existing uranium contracts with a view to ensuring that atoms of Australian uranium will never facilitate, in any way, nuclear weapons in any country,

(ii) give an assurance that uranium will never be exported to any state that is not a Nuclear Non-Proliferation Treaty (NPT) signatory,

(iii) make representations to the United States of America (US), urging it to place greater importance not only on non-proliferation and counter-proliferation efforts, but also on its Article VI NPT obligation to achieve
the total elimination of its nuclear arsenal,

(iv) press the US and China, in particular, to ratify the Comprehensive Nuclear-Test-Ban Treaty, and

(v) continue its co-sponsorship of the resolution ‘Renewed determination towards the total elimination of nuclear weapons’, and support all other nuclear disarmament initiatives on the floor of the First Committee and General Assembly including the New Agenda resolution ‘Reducing Nuclear Danger’ and the annual Non-Aligned Movement resolution.

Question put.

The Senate divided. [3.43 pm]

(The President—Senator the Hon. Paul Calvert)

Ayes………….. 30
Noes………….. 34
Majority……… 4

AYES

Allison, L.F. Bamford, A.J.
Brown, B.J. Bartlett, A.J.J.
Campbell, G. * Brown, C.L.
Conroy, S.M. Carr, K.J.
Forshaw, M.G. Crossin, P.M.
Hurley, A. Hogg, J.J.
Kirk, L. Hutchins, S.P.
Lundy, K.A. Ludwig, J.W.
McEwen, A. Marshall, G.
Milne, C. McGauran, J.J.J.
Polle, H. Moor, C.
Murray, A.J.M. Nettle, K.
Siewert, R. O’Brien, K.W.K.
Stirling, G. Parry, S. *
Webber, R. Perrett, J.

NOES

Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Calvert, P.H.
Campbell, I.G. Chapman, H.G.P.
Colbeck, R. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fielding, S. Fieravanti-Wells, C.
Fifield, M.P. Heffernan, W.

Humphries, G. Johnston, D.
Joyce, B. Kemp, C.R.
Lightfoot, P.R. Macdonald, I.
MacDonald, J.A.L. Mason, B.J.
McGauran, J.J. Minchin, N.H.
Nash, F. Parry, S. *
Patterson, K.C. Payne, M.A.
Ronaldson, M. Santoro, S.
Troeth, J.M. Watson, J.O.W.

PAIRS

Bishop, T.M. Coonan, H.L.
Evans, C.V. Brandis, G.H.
Faulkner, J.P. Vanstone, A.E.
O’Brien, K.W.K. Ferris, J.M.
Sherry, N.J. Trood, R.B.
Wong, P. Scullion, N.G.

* denotes teller

Question negatived.

HOPE DOWNS IRON ORE PROJECT

Senator SIEWERT (Western Australia) (3.45 pm)—I move:

That there be laid on the table by the Minister representing the Minister for the Environment and Water Resources, any briefing packages produced by the former Department of the Environment and Heritage for the Minister’s consideration of the Hope Downs Iron Ore Project proposed by Hope Downs Management Services Pty Ltd.

Question negatived.

IRAN

Senator NETTLE (New South Wales) (3.46 pm)—I move:

That the Senate—

(a) notes:

(i) the growing tension between the United States of America (US) and Iran, including the military build-up in the Persian Gulf,

(ii) the indication by US Vice President Dick Cheney, while in Sydney from 22 February to 25 February 2007, that a military strike on Iran is an option, and

(iii) that US intelligence bases in Australia are likely to be used in any military strike on Iran; and
(b) calls on the Government to:

(i) support a diplomatic resolution to the crisis, and

(ii) rule out Australian support for a military strike on Iran.

Question put.

The Senate divided. [3.48 pm]

(The Deputy President—Senator JJ Hogg)

Ayes........... 8
Noes........... 55
Majority....... 47

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

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Brown, C.L.
Campbell, G. Campbell, I.G.
Carr, K.J. Chapman, H.G.P.
Colbeck, R. Conroy, S.M.
Crossin, P.M. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fifield, M.P. Forshaw, M.G.
Heffernan, W. Hogg, J.J.
Humphries, G. Hurley, A.
Hutchins, S.P. Johnston, D.
Joyce, B. Kemp, C.R.
Kirk, L. Lightfoot, P.R.
Ludwig, J.W. Lundy, K.A.
Macdonald, I. Macdonald, J.A.L.
Marshall, G. Mason, B.J.
McEwen, A. McGauran, J.J.J.
McLucas, J.E. Minchin, N.H.
Moore, C. Nash, F.
Parry, S. * Patterson, K.C.
Payne, M.A. Polley, H.
Ray, R.F. Ronaldson, M.
Santoro, S. Stephens, U.
Sterle, G. Troeth, J.M.
Watson, J.O.W. Webber, R.
Wortley, D.

* denotes teller

Question negatived.

MR DAVID HICKS

Senator NETTLE (New South Wales) (3.52 pm)—I move:

That the Senate—

(a) notes:

(i) the comments on 26 February 2007 by former Family Court Chief Justice Alastair Nicholson that the Prime Minister, the Minister for Foreign Affairs and the Attorney-General could be charged with war crimes for insisting Mr David Hicks face trial before a United States of America military commission,

(ii) the Federal Court case examining the Government’s breach of its protective duty to Australian citizen Mr Hicks, and

(iii) that Mr Hicks has been detained for 1 909 days; and

(b) calls on the Government to fulfil its duty of care and return Mr Hicks to Australia.

Question put.

The Senate divided. [3.53 pm]

(The Deputy President—Senator JJ Hogg)

Ayes........... 8
Noes........... 53
Majority....... 45

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

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Brown, C.L.
Campbell, G. Campbell, I.G.
Carr, K.J. Chapman, H.G.P.
Colbeck, R. Conroy, S.M.
Crossin, P.M. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fierravanti-Wells, C.
Fifield, M.P.
I move:

That the Senate—

(a) welcomes the call from the electricity sector for a greenhouse gas emissions trading scheme to promote investor confidence;

(b) notes that:

(i) the purpose of an emissions trading scheme is to create an economically efficient mechanism to reduce greenhouse gas emissions, and

(ii) notes that international emissions trading is a key mechanism of the Kyoto Protocol;

(c) rejects the McKibbin-Wilcoxen proposal because it fails to cap greenhouse gas emissions and creates an unacceptable risk that long-term emission permits will be over-allocated; and

(d) calls on the Government to announce the rules of an emissions trading scheme by 2008, for commencement in 2010.

Question put.
(c) on the basis that it was a technical misunderstanding, as we understand it, of the model that is referred to.

NUCLEAR PROLIFERATION

Senator MILNE (Tasmania) (4.03 pm)—I move:

That the Senate—

(a) notes:

(i) growing international concern about nuclear proliferation and recent speculation about a possible United States of America (US) or Israeli attack on Iranian nuclear facilities,

(ii) Australia is a member of the Nuclear Suppliers Group (NSG) which makes its decisions by consensus,

(iii) the US-India nuclear cooperation deal would breach the guidelines of the NSG that restricts trade with non-nuclear-weapon states that do not accept full-scope International Atomic Energy Agency safeguards,

(iv) exemptions from NSG guidelines would erode the credibility of the NSG’s effort to restrict nuclear trade to those states that meet global nuclear non-proliferation and disarmament standards, and

(v) the next NSG meeting is in April 2007 and the US is expected to seek agreement to allow the US-India nuclear cooperation deal to proceed; and

(b) calls on the Government to preserve the integrity of the Nuclear Non-Proliferation Treaty by blocking the US-India deal at the NSG meeting in April 2007 and ruling out the supply of uranium to India.

Question put.

The Senate divided. [4.04 pm]

(The Deputy President—Senator JJ Hogg)

Ayes........... 8
Noes........... 48
Majority........ 40

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

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Brown, C.L.
Campbell, G. Chapman, H.G.P.
Colbeck, R. Crossin, P.M.
Eggleston, A. Ellison, C.M.
Fielding, S. Fierravanti-Wells, C.
Fifield, M.P. Forshaw, M.G.
Heffernan, W. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Johnston, D. Joyce, B.
Kemp, C.R. Kirk, L.
Lightfoot, P.R. Ludwig, J.W.
Lundy, K.A. Macdonald, I.
Macdonald, J.A.L. Marshall, G.
Mason, B.J. McEwen, A.
McGauran, J.J.J. McLucas, J.E.
Moore, C. Nash, F. *
Parry, S. Payne, M.A.
Policy, H. Ray, R.F.
Ronaldson, M. Santoro, S.
Stephens, U. Sterle, G.
Troeth, J.M. Watson, J.O.W.
Webber, R. Wortley, D.

* denotes teller

Question negatived.

COMMITTEES

Community Affairs Committee
Report: Government Response

Senator SANTORO (Queensland—Minister for Ageing) (4.08 pm)—I present the government’s response to the report of the Senate Standing Committee on Community Affairs on its inquiry into gynaecological cancers in Australia, and I seek leave to have the document incorporated in Hansard.

Leave granted.

The document read as follows—
Senate Community Affairs References Committee
Inquiry into Gynaecological Cancer in Australia
Commonwealth Government Response to the Committee’s Report:
Breaking the silence: a national voice for gynaecological cancers
February 2007

Introduction
Australia has one of the best systems of cancer care in the world. In comparison to other developed countries, Australia has relatively high cancer incidence rates but comparatively low cancer mortality rates, indicating that cancer survival in Australia is relatively good. The health system in Australia is performing well in lengthening survival through early detection and in the treatment of cancer.

The Commonwealth Government provides significant resources in relation to the prevention and treatment of gynaecological cancers. Advances continue to be made in gynaecological cancer research; during 2000-06 the National Health and Medical Research Council (NHMRC) provided more than $44 million for research into gynaecological cancers.

The Government has invested heavily in screening for female cancers, notably breast and cervical cancer. The National Cervical Screening Program (NCSP) has been so successful in detecting and following up pre-cancerous abnormalities that the incidence of cervical cancer has fallen by 57% and mortality by 58% in the past ten years.

The Government also funds a national ovarian cancer program through the National Breast Cancer Centre (NBCC). The NBCC has developed evidenced based guidelines, endorsed by the NHMRC, for the management of women with epithelial ovarian cancer. It is now focussing on assisting with enhancing treatment through the development of a guide for health professionals on multidisciplinary cancer care meetings.

Burden of Gynaecological Cancer in Australia
Each year in Australia an estimated 462,000 people are diagnosed with cancer. Approximately 374,000 of these cases are less threatening types of skin cancer – namely non-melanocytic skin cancer. Over 88,000 people will be diagnosed with other types of cancer and approximately 36,000 people will die per year from cancer. Cancer accounts for 31% of male deaths and 26% of female deaths in Australia per annum. As a group of cancers, gynaecological cancers are the third most common form of cancer for Australian women, and the fourth most common form of cancer mortality in Australian women.

The top five frequently occurring cancers for females in Australia, 2001

<table>
<thead>
<tr>
<th>Cancer Site</th>
<th>% of all Female Cancer Incidence</th>
<th>Risk of diagnosis by age 75</th>
<th>Cancer Site</th>
<th>% of all Female Cancer Mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breast</td>
<td>29.1</td>
<td>1 in 11</td>
<td>Breast</td>
<td>16.3</td>
</tr>
<tr>
<td>Colorectal</td>
<td>14.5</td>
<td>1 in 26</td>
<td>Lung</td>
<td>15.0</td>
</tr>
<tr>
<td>Gynaecological</td>
<td>9.6</td>
<td>1 in 34</td>
<td>Colorectal</td>
<td>13.5</td>
</tr>
<tr>
<td>Melanoma</td>
<td>9.5</td>
<td>1 in 34</td>
<td>Gynaecological</td>
<td>9.6</td>
</tr>
<tr>
<td>Lung</td>
<td>7.1</td>
<td>1 in 46</td>
<td>Unknown Primary Site</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Key gynaecological cancer statistics

<table>
<thead>
<tr>
<th>Type of cancer</th>
<th>Incidence</th>
<th>Risk of diagnosis by age 75</th>
<th>Mortality</th>
<th>5 year survival rate (1992-97)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uterus</td>
<td>1,537 (2001)</td>
<td>1 in 75</td>
<td>299 (2001)</td>
<td>81.4%</td>
</tr>
<tr>
<td>Ovarian</td>
<td>1,273 (2002)</td>
<td>1 in 101</td>
<td>851 (2004)</td>
<td>42.0%</td>
</tr>
<tr>
<td>Cervix</td>
<td>689 (2002)</td>
<td>1 in 201</td>
<td>212 (2004)</td>
<td>74.6%</td>
</tr>
</tbody>
</table>
Mortality rates for cervical cancer have declined by an average of 5.2% per annum since 1991. These gains are due in part to the success of the National Cervical Screening Program. Mortality rates for cancer of the ovary and endometrial declined on average by 0.7% and 1.6% per annum respectively between 1991 and 2001.

Survival
The incidence of ovarian cancer has risen over the past two decades. However, the risk of women under the age of 75 years dying from this disease has declined from 1 in 142 (in 1983) to 1 in 176 (in 2004). (Source: Ovarian Cancer in Australia: An Overview 2006, AIHW & NBCC, 2006)

Cancer Australia
Cancer Australia is a new Commonwealth Government agency established to help reduce the impact of cancer in the community. It will provide national leadership to increase coordination of cancer control initiatives and improve outcomes for people affected by cancer.

Cancer Australia will collaborate with consumers, government, health professionals, researchers, cancer organisations and other stakeholders to:

- enhance support, information and participation in decision-making for people affected by cancer;
- improve the quality of cancer care, and support for health professionals; and
- increase coordination and funding of cancer research, and actively support cancer clinical trials.

### National Breast Cancer Centre
The NBCC was established in 1995 by the Commonwealth Government in response to community concerns about the human cost of breast cancer. In 2001 the role of the NBCC was expanded to incorporate the Ovarian Cancer Program, which aims to improve the health outcomes for women with ovarian cancer.

### The National Health and Medical Research Council
The National Health and Medical Research Council (NHMRC), the main health and medical research funding body, provides research support through a variety of mechanisms, including support for individual research projects, broad programs of research, training awards for scholars and postdoctoral fellows, career research fellowships and special strategic research programs.

During 2000-06 the NHMRC provided more than $44 million for research into gynaecological cancers. In 2006, the NHMRC awarded more than $98.5 million for new cancer-related research for over 190 new grants, awarded for periods of up to 5 years. This included research on the causes and treatment of cancers and research that focuses specifically on cancers of particular concern or common in the Australian population: ovarian cancer ($5.7 million) and breast cancer ($12.9 million). Not all of the cancer-related research funding target a particular type of cancer. Some of the research looks at the common mechanisms in cancer, thus having relevance to all forms of cancer. Guidelines, which have either been approved or endorsed by the NHMRC, have been developed for all eight priority cancers, and for the psychosocial care of adults with cancer.
Recommendations and Commonwealth Government Responses

Recommendation 1
2.54 The Committee recommends that the Commonwealth Government establish a Centre for Gynaecological Cancers within the auspices of Cancer Australia. The Centre will have responsibility for giving national focus to gynaecological cancer issues and improving coordination of existing health, medical and support services and community projects.

Commonwealth Government Response
The Commonwealth Government agrees to establish a Centre for Gynaecological Cancers within the auspices of Cancer Australia. Once the Centre has been established, the Government will ask it to undertake an early assessment of existing gynaecological cancer services and to provide a national focus to gynaecological cancer issues.

Recommendation 2
2.55 The Committee recommends, as a matter of priority, that the Centre for Gynaecological Cancers develops a website that is a ‘one-stop shop’ for reliable information on all issues relating to gynaecological cancers, including education, research and availability of services. The website of the National Institutes of Health in the United States is an example of a successful website upon which to base an Australian equivalent.

2.56 In all aspects of its work, the Centre should make optimal use of communications and information technology, including the Internet, to bring people together to discuss issues.

Commonwealth Government Response
The Commonwealth Government agrees with this recommendation.

The Government will ask the new Centre for Gynaecological Cancers to develop a strategic plan to guide its work which includes the development of a website and mechanisms to make optimal use of communications and information technologies to support information sharing on gynaecological cancer issues.

Recommendation 3
2.57 The Committee recommends that a working group be formed, with the support of Cancer Australia, consisting of individuals with experience and expertise in gynaecological cancers to best develop the roles, responsibilities and priorities of the Centre for Gynaecological Cancers.

Commonwealth Government Response
The Commonwealth Government agrees with this recommendation and will seek advice from Cancer Australia and the relevant professional organisations (see recommendation 2.60) on the composition and terms of reference of the working group.

Recommendation 4
2.58 The Committee recommends that the Commonwealth Government provide the Centre for Gynaecological Cancers with seed-funding of $1 million for establishment and operational costs.

Commonwealth Government Response
The Commonwealth Government agrees to provide $1 million in seed funding to support the establishment and initial operation of the Centre.

Recommendation 5
2.59 The Committee recommends that a national secretariat be formed within Cancer Australia to define the Centre for Gynaecological Cancers’ ongoing objectives and to evaluate the success of the Centre after two years.

Commonwealth Government Response
The Commonwealth Government supports this recommendation.

The Government will ask Cancer Australia to implement this recommendation.

2.60 The Committee further recommends that the Centre and its national secretariat work closely with Cancer Australia and its advisory groups, particularly the Gynaecological Cancer Advisory Group, and the National Breast Cancer Centre to ensure a cohesive approach to improving gynaecological cancer care in Australia.

Commonwealth Government Response
The Commonwealth Government supports this recommendation and notes the benefits of developing a coordinated approach to improving gynaecological cancer care.

Recommendation 6
3.108 The Committee recommends that the Commonwealth Government commit further recurrent funding for:
• basic research and clinical trials on topics relating to gynaecological cancers; and
• academic research positions in areas relating to gynaecological cancers.

Commonwealth Government Response
Through the NHMRC, the Commonwealth Government has provided $44 million dollars from 2000-2006 to gynaecological cancer research. The Government will ask Cancer Australia and the NHMRC to work together to ascertain the current level and adequacy of funding into gynaecological cancer research in Australia.

Recommendation 7
3.109 The Committee recommends that the Commonwealth Government in collaboration with Cancer Australia:
• review the current level of funding allocated to bodies and individuals undertaking gynaecological cancer research in Australia; and
• provide leadership in relation to the allocation of research funding for gynaecological cancers; and
• improve awareness within the research community about the work being undertaken in order to minimise duplication.

Commonwealth Government Response
Cancer Australia was established by the Commonwealth Government to provide national leadership in cancer control, guide improvements to cancer prevention and care, ensure treatment is scientifically based, and oversee a dedicated budget for research into cancer.

In December 2006, Cancer Australia convened a National Research Advisory Group and a Research Roundtable meeting. The Cancer Research Roundtable brought together key government, non-government and community groups who fund cancer research in Australia. The Cancer Research Roundtable allows funders of cancer research to collaborate and coordinate funding and offers an opportunity to foster research collaboration, reduce duplication and build research capacity.

In 2007 the National Research Advisory Group will oversee an audit of cancer research in Australia. This audit will identify current cancer research activity and inform the development of a cancer research plan.

Cancer Australia and the NHMRC will work together with other funders to minimise any duplication of effort, to keep a watching brief on the ongoing investment of research in gynaecological cancers and will report back to the Government.

Recommendation 8
4.183 The Committee recommends that Cancer Australia work with the gynaecological cancer sector on an ongoing basis to develop national strategies improving the visibility of, and access to, screening, treatment and support services for women with gynaecological cancers.

Commonwealth Government Response
The Commonwealth Government agrees that Cancer Australia should work with existing relevant organisations and notes that this is consistent with its role to provide national leadership in cancer control.

Recommendation 9
4.184 The Committee recommends that the Commonwealth Government's funding and leadership of the National Cervical Screening Program continue and that strategies be implemented to improve screening participation rates for Australian women, particularly for Indigenous women.

Commonwealth Government Response
The Commonwealth Government will continue its funding and leadership of the National Cervical Screening Program and has initiatives in place which aim to improve screening rates for Australian women.

The National Cervical Screening Program (NCSP) is funded under the Public Health Outcome Funding Agreements (PHOFAs). Under the PHOFAs state and territory governments are required to implement a range of strategies to improve participation in the NCSP, including participation rates of Aboriginal and Torres Strait Islander women.

In the 2006-07 Budget funding was continued to encourage general practitioners to increase rates of participation in the NCSP, particularly in women who were lapsed or had never been screened, including Indigenous women. Since the
initiative commenced, almost 190,000 previously under screened women have been screened by their GPs.

The NCSP, at the state and territory level, employs Indigenous staff to advise on communication and cultural matters, and uses Aboriginal Health Workers wherever possible to either provide services or communicate the importance of screening to Indigenous women.

A principles and practices document *Principles, standards and guidelines for providers of cervical screening services for Indigenous women* was developed in 2003, in consultation with Indigenous women, to assist in addressing barriers faced by Indigenous women when attending health services for cervical screening, and to maximise their access to cervical screening.

4.185 The Committee further recommends that the Commonwealth work collaboratively with State and Territory Governments to promote the National Cervical Screening Program for all Australian women.

**Commonwealth Government Response**
The Commonwealth Government will continue to work collaboratively with state and territory governments to promote the National Cervical Cancer Screening Program.

4.186 The Committee further recommends that the Commonwealth Government explore the extension of Medicare rebates for Pap tests performed by nurse practitioners, regional nurses and Indigenous health workers who are suitably trained.

**Commonwealth Government Response**
Medicare rebates for Pap smears provided by a practice nurse on behalf of a general practitioner in rural and remote areas have been available since January 2005. This was extended from 1 November 2006 to provide Medicare rebates for practice nurses to undertake Pap smears and other preventive checks related to women’s sexual and reproductive health on behalf of a general practitioner in all areas of Australia.

**Recommendation 10**

4.187 The Committee recommends that, as a priority, State and Territory Governments provide further funding so that all women being treated for gynaecological cancers have access, based on need, to clinical psychologists or psychosexual counsellors.

**Commonwealth Government Response**
The Commonwealth Government supports this recommendation, noting it is a state and territory government responsibility.

**Recommendation 11**

4.188 The Committee recommends that Commonwealth, State and Territory Governments work collaboratively to ensure adequate funding for health and support programs in rural and remote areas, such as increased funding for specialist outreach clinics and for the use of modern telecommunications technologies.

**Commonwealth Government Response**
While the provision of health and support services in rural and remote areas is predominantly a state/territory responsibility, the Commonwealth Government provides additional assistance to rural areas through a range of workforce and health care access programs including: the Medical Specialist Outreach Assistance Program, the Advanced Specialist Training Posts in Rural Areas Program, the Rural Advanced Specialist Trainee Support Program and e-Health initiatives.

**Recommendation 12**

4.189 The Committee recommends that the Council of Australian Governments, as a matter of urgency, improve the current patient travel assistance arrangements in order to:

- establish equity and standardisation of benefits;
- ensure portability of benefits across jurisdictions; and
- increase the level of benefits to better reflect the real costs of travel and accommodation.

**Commonwealth Government Response**
Implementation of this recommendation is the responsibility of the state and territory governments. On 1 January 1987, responsibility for the provision of the Isolated Patient Travel and Accommodation Assistance Scheme (IPTAAS) - with funding - was transferred from the Commonwealth Government to the states and territories.
States and territories are best placed to develop and administer flexible and effective measures for those in need, having regard to their own distribution of specialist services and the specific needs of their rural population.

**Recommendation 13**

4.190 The Committee recommends that the Commonwealth Government consider a Medicare Item Number for lymphoedema treatment by accredited physiotherapists and the provision of subsidised lymphoedema compression garments, based on need, for women as a result of cancer treatment.

**Commonwealth Government Response**

The Commonwealth Government supports people with chronic conditions and complex care needs to access physiotherapy services through MBS item 10960 which allows up to five allied health services per patient each calendar year. People with private health insurance may also be eligible for assistance through their insurance. The provision of medical aids, such as compression garments, is generally the responsibility of the States and Territories.

**Recommendation 14**

4.191 The Committee recommends that the Commonwealth Government through the Medical Services Advisory Council (MSAC), review the MSAC’s decisions on the use of liquid-based cytology (LBC) and high risk human papilloma virus (HPV) DNA testing in cervical screening processes.

**Commonwealth Government Response**

The Medical Services Advisory Committee (MSAC) has completed assessments for liquid based cytology for cervical screening and human papilloma virus testing in women with cytological prediction of low-grade abnormality and found in both cases that there was insufficient evidence to support public funding at the time of the assessment.

In the event that further evidence is made available regarding liquid based cytology for cervical screening, the MSAC will reconsider this technology. MSAC is currently reviewing the use of human papilloma virus DNA testing for triage of pap smears.

**Recommendation 15**

4.192 The Committee recommends that the Commonwealth Department of Health and Ageing, as a priority, develop national strategies surrounding HPV vaccines and testing. Specifically, targeted and customised strategies to:

- highlight the benefits of HPV vaccines;
- provide easy access to the vaccines and appropriate educational resources, particularly for Indigenous Australians and people from culturally and linguistically diverse backgrounds; and
- develop and encourage the use of self-testing for high risk HPV.

**Commonwealth Government Response**

The Commonwealth Government agrees that national strategies should be developed on HPV vaccines and testing.

On 29 November 2006, the Commonwealth Government announced funding for a national HPV vaccination program to commence in 2007 under the National Immunisation Program. The program will provide vaccines for females between 12 and 26 years of age. As part of implementation of this program, a comprehensive communication strategy will be developed.

As HPV vaccine does not protect against all cancer-causing HPV strains, nor is it effective in women already exposed to the virus, vaccinated women must continue to have regular Pap smears. The Commonwealth Government working with the Screening Subcommittee of the Australian Population Health Development Principal Committee have developed a National policy for screening women vaccinated against HPV for the National Cervical Screening Program to provide information to health professionals and to provide a basis for the development of communication materials for women.

There is currently insufficient evidence to support the development of self-testing for high risk HPV.

**Recommendation 16**

4.193 The Committee recommends that the Commonwealth Government, in collaboration with Cancer Australia and the Centre for Gynaecological Cancers, develop strategies and targets to improve referral rates from general practitio-
Clinical practice guidelines for the management of women with epithelial ovarian cancer were developed by the Australian Cancer Network and the National Breast Cancer Centre and have been approved by the NHMRC. The guidelines recommend if an ovarian malignancy is suspected that direct referral to a gynaecological oncology unit is the preferred option. These guidelines have been widely distributed. The Government will ask relevant organisations to continue to promote these guidelines to the medical profession.

**Recommendation 17**

4.194 The Committee recommends that the Commonwealth Government, as a priority, assume responsibility for the funding, development and implementation of a national data collection and management system to ensure the appropriate and accurate collection of gynaecological cancer data.

**Commonwealth Government Response**

National data collections of gynaecological cancer cover incidence (from state and territory cancer registries where both the demographic and cancer data items are collected consistently to national and international data standards), mortality, and hospital inpatient admissions for all hospitals in Australia.

Cancer Australia will work with the Australasian Association of Cancer Registries and the Australian Institute of Health and Welfare to consider options for improving data collection and management.

**Recommendation 18**

4.195 The Committee recommends that the Commonwealth Government in conjunction with the State and Territory Governments to expand the roles and responsibilities of specialist breast cancer nurses to include gynaecological cancers through cooperation with multidisciplinary gynaecological cancer centres.

**Commonwealth Government Response**

Definition of the roles and responsibilities of health professions is the responsibility of the state and territory governments and professional organisations. The Commonwealth Government currently provides assistance in addition to that of the jurisdictions through the Supporting Women in Rural Areas Diagnosed with Breast Cancer (SWRDDBC) initiative. This initiative currently provides $4 million over four years up to 30 June 2007. On 2 January 2007, the Government announced a further four years of funding to target women in rural and remote areas who have been diagnosed with breast cancer.

**Recommendation 19**

4.196 The Committee recommends that the Commonwealth Government explore the need for Medicare rebates for MRI scans of pelvic, abdominal and breast areas.

**Commonwealth Government Response**

The Commonwealth Government provides Medicare rebates for MRI scans of the pelvis (and abdomen) for staging cervical cancer at FIGO stages 1B or greater. The Medical Services Advisory Committee (MSAC) is currently considering MRI for women at a high risk of developing breast cancer. The Commonwealth Government will support further reviews by MSAC where the evidence supports it.

**Recommendation 20**

4.197 The Committee recommends that Commonwealth, State and Territory Governments commit urgently needed funding and increased specialist resources to reduce current waiting times for women seeking the services of gynaecological oncologists and their multidisciplinary teams.

4.198 The Committee further recommends that maximum surgery waiting times are defined by key performance indicators agreed by treating physicians as not putting patients at risk.

**Commonwealth Government Response**

The funding and supply of specialist services is a responsibility of the state and territory governments.

**Recommendation 21**

5.103 The Committee recommends that an urgent review of the adequacy and provision of information to medical and allied health professionals about gynaecological cancers be undertaken by the Centre for Gynaecological Cancers.
5.104 The Committee further recommends that the gynaecological oncology medical and allied health communities, through the Centre for Gynaecological Cancers, have greater input into decisions about education strategies for professionals, women and adolescents.

Commonwealth Government Response
The Commonwealth Government agrees with this recommendation and will seek advice from the Centre for Gynaecological Cancers on implementing this recommendation as part of developing its work plan.

Recommendation 22
5.105 The Committee recommends that the Centre for Gynaecological Cancers, with assistance from the gynaecological cancer community, develop culturally appropriate educational material focusing on the risk factors and symptoms of gynaecological cancers. Any such material should specifically meet the needs of general practitioners, nurses (including remote area nurses), Aboriginal health workers, gynaecologists and allied health professionals.

5.106 The Committee further recommends that educational materials be provided to general practitioners to inform them about the sub-specialty of gynaecological oncology and the circumstances in which it is appropriate to refer women to gynaecological oncologists.

Commonwealth Government Response
The Commonwealth Government agrees with this recommendation and will seek advice from the Centre for Gynaecological Cancers on implementing this recommendation.

Recommendation 23
5.107 The Committee recommends that Cancer Australia formally investigate the referral patterns of general practitioners at a national level and devise appropriate strategies to address any concerning trends.

5.108 The Committee further recommends that accurate and accessible service directories should be developed in all jurisdictions to support knowledge-based appropriate referrals.

Commonwealth Government Response
The Commonwealth Government agrees that information needs to be available to medical practitioners to inform their professional decisions, taken in collaboration with patients, regarding the most appropriate referral and treatment approaches. The Commonwealth Government has supported the development and dissemination of practice guidelines in this regard and will ask the Centre for Gynaecological Cancers to liaise with relevant professional bodies to ensure these are widely disseminated and useful.

Recommendation 24
5.109 The Committee recommends the development and distribution of clinical practice guidelines for all gynaecological cancers (or similar consistent and authoritative information) to ensure standard practice across the healthcare system.

Commonwealth Government Response
The NHMRC has developed clinical guidelines for the diagnosis and management of gynaecological cancers. (Refer to response to recommendation 23).

5.110 The Committee further recommends that the Australian Divisions of General Practice include gynaecological cancer issues in at least one professional development seminar per year.

Commonwealth Government Response
The Commonwealth Government will draw this recommendation to the attention of the Australian General Practice Network (formerly Australian Divisions of General Practice).

Recommendation 25
5.111 The Committee recommends that all gynaecologists involved in treating gynaecological cancers associate themselves with a recognised multidisciplinary specialist gynaecological cancer unit.

Commonwealth Government Response
The Commonwealth Government will draw this recommendation to the attention of the relevant professional organisations.

Recommendation 26
5.112 The Committee recommends that appropriate educational opportunities be offered to medical and allied health professionals from all settings to increase skills in gynaecological oncology. Appropriate financial incentives or assistance
packages should be offered, and given where required.

**Commonwealth Government Response**
The Commonwealth Government will draw this recommendation to the attention of the relevant professional organisations.

**Recommendation 27**

5.113 The Committee recommends that doctors who are training to be general practitioners be exposed to the concept of multidisciplinary care and the sub-specialty of gynaecological oncology in their training.

5.114 The Committee further recommends that medical professionals receive instruction and experience, where relevant, in diagnosing malignant gynaecological cancers through educational programs.

**Commonwealth Government Response**
The Commonwealth Government will draw this recommendation to the attention of the relevant professional organisations.

**Recommendation 28**

6.105 The Committee recommends that Cancer Australia, in conjunction with the Centre for Gynaecological Cancers, be given wide-ranging responsibility for the management of coordinated national education strategies targeting women and their families, friends, carers and the broader community about gynaecological cancers.

6.106 The Committee further recommends that a review of all existing gynaecological cancer educational material targeting women and the broader community be undertaken by Cancer Australia, in conjunction with a Centre for Gynaecological Cancers, to review the currency of the content and the appropriateness for the audience.

**Commonwealth Government Response**
The Commonwealth Government agrees with this recommendation and will ask Cancer Australia to consider this in the context of its initial strategic planning regarding gynaecological cancer issues.

**Recommendation 29**

6.107 The Committee recommends that Cancer Australia and the Centre for Gynaecological Cancers work together to develop a resource pack be developed and disseminated to give women and the broader community consolidated and consistent information about gynaecological cancers, treatment options, support groups and other services.

**Commonwealth Government Response**
The Commonwealth Government will ask Cancer Australia to consider this in the context of its early assessment of gynaecological cancer issues and to report to the Government on this issue.

**Recommendation 30**

6.108 The Committee recommends that Cancer Australia and the Centre for Gynaecological Cancers work together to ensure that medical facilities and support organisations have visible and current information on-site in the form of posters and pamphlets about gynaecological cancers and related services.

**Commonwealth Government Response**
The Commonwealth Government will ask Cancer Australia to consider this in the context of its early assessment of gynaecological cancer issues and to report to the Government on these issues.

**Recommendation 31**

6.109 The Committee recommends that Cancer Australia analyse and assess the approach taken in the United States in the following areas:

- public education (for example, the strategies of the Centres for Disease Control in relation to ovarian cancer);
- advocacy by gynaecological cancer groups; and
- service provision by support groups.

**Commonwealth Government Response**
The Commonwealth Government will ask Cancer Australia to consider and compare activities in cancer control in a number of different countries including the United States of America.

**Recommendation 32**

7.88 The Committee recommends that Cancer Australia collaborate with individuals and groups to identify the best ways to ensure that expertise and experience in gynaecological cancer is represented on national health agencies, particularly Cancer Australia.
Commonwealth Government Response
Cancer Australia has a strong collaborative agenda with all cancer organisations and is establishing national reference groups for a range of tumour groups, which will include gynaecological cancers. These groups will include wide ranging expertise including consumer expertise to advise Cancer Australia on issues that impact on cancer control.

7.89 The Committee further recommends that consumer and community representatives have greater involvement in the decision-making of national health agencies.

Commonwealth Government Response
The Department of Health and Ageing already works with consumers and stakeholders in managing its programs. Cancer Australia’s Advisory Council includes several consumers of cancer services.

7.90 The Committee further recommends that when membership of Cancer Australia’s Advisory Council is due for review, one or more consumer representatives from the reproductive cancer sector be appointed to maintain the confidence of groups within those areas.

Commonwealth Government Response
The members of the Advisory Council for Cancer Australia have been appointed by the Minister for their particular expertise and not as representatives of any particular group. The Council’s membership includes several consumers of cancer services.

Recommendation 33
7.91 The Committee recommends that the Commonwealth Department of Health and Ageing, Cancer Australia and the Centre for Gynaecological Cancers communicate with each other about the content of future work plans in order to avoid confusion over responsibility for the development of initiatives and program delivery.

Commonwealth Government Response
The Commonwealth Department of Health and Ageing has primary carriage for advising the Government on cancer policy issues. This is done in collaboration with Cancer Australia. Cancer Australia has an important role in providing strategic national leadership in bringing together key cancer organisations, guiding improvements to cancer prevention and care, ensuring treatment is scientifically based; and coordinating and liaising between the wide range of groups and providers with an interest in cancer. Both Agencies report to the Minister for Health and Ageing and work closely together on cancer issues.

Recommendation 34
7.92 The Committee recommends that the Centre for Gynaecological Cancers put arrangements in place to ensure continuity between the work of the now defunct National Cancer Control Initiative and Cancer Australia, particularly in relation to gynaecological cancers.

Commonwealth Government Response
Cancer Australia will continue to build on the excellent work of the National Cancer Control Initiative.

Senator FERRIS (South Australia) (4.08 pm)—I seek leave to move a motion in relation to the document.

Leave granted.

Senator FERRIS—I move:
That the Senate take note of the document.

I want to say how much I welcome the government’s response to this report and its careful consideration of our 34 recommendations. Right at the start I would like to say that this is a very clear example of Senate women coming together to work on an issue. All of us saw this issue as being above party politics, an issue important to all women in Australia and their families, including their husbands, their brothers, their fathers and their children. For the first time that I can remember, committee members, under the careful chairmanship of Senator Gary Humphries, were able to come together and, with the aid of some expert advice from some of our very highly trained gynaecological oncologists, put together a report which identified, perhaps for the very first time, some of the gaps in the opportunities for information to be given to the women
suffering from breast cancer who have not had their own organisation to cope with the difficulties of gynaecological cancers.

I would also like to say at the outset that the work that Helen Zorbas and the National Breast Cancer Centre have done in taking care of this issue since the year 2000 has been absolutely fundamental to and instrumental in making sure that the work done in Australia has been done to the best effect possible. However, I was disturbed to see this week, Natural Ovarian Cancer Awareness Week, that in fact large numbers of women still do not understand that Pap smears will not identify ovarian cancer. There are many tests available for various forms of cancer but, unfortunately, research teams, both here and overseas, have still not found an early warning test for ovarian cancer and, as a result of that, more than a thousand women are diagnosed every year with it.

I think that more than anything this report is an indication that when there was a serious women’s health issue and all of us realised that all of our women—never mind what they might do every three years at the ballot box—wanted it dealt with and wanted expert advice and wanted to have a voice, we all got together. That is why we called our report Breaking the silence, because we believed that it was time to break the silence on this issue.

I would like to acknowledge the government’s commitment to establishing a national centre for gynaecological cancers under the governance of Cancer Australia. This is of course what the committee strongly recommended. We wanted to provide a national focus for gynaecological issues and, importantly, to increase the education and awareness of medical and allied health professionals. I think I also speak for other members of the committee when I say that we could not have done this work without people of the eminence of Professor Neville Hacker, the Director of the Gynaecological Cancer Centre at the Royal Hospital for Women in Sydney, who gave freely of his time and acted as a mentor to all of us. Getting across this issue was not easy—it is quite technical; some of the medical material is quite difficult—but he was always available and always patient. I know he helped all of us, so I would like to acknowledge him and some of the members of his gynaecological oncology team.

The issue of education in this particular area, of both women and the broader community, was a recurring theme during the inquiry, with many submissions and witnesses telling the committee that a targeted approach was needed to deliver information. I also welcome the announcement that, as we recommended, the government will provide a million dollars in seed funding to support the establishment and initial operation of the centre. That is in addition to the nearly $13.6 million over the six years to 2009 that the government has invested in programs for women’s cancers, over half of which has been used to deliver breast and ovarian cancer programs through the National Breast Cancer Centre, through Helen Zorbas and her talented team.

The NBCC has a vital and highly regarded role that is being played in the absence of anything else that is available for us in the gynaecological cancer area. But increasingly we were consistently told in evidence that when women are looking for information on ovarian cancer or any of the other gynaecological cancers they do not automatically understand that they need to go to the NBCC. Now we will have a dedicated area and for the first time we will actually be able to direct them to a specific site. I know, from all the work that they have been doing, that Helen and her people will work closely with the new gynaecological cancer centre and
Cancer Australia to make sure that we deliver the fantastic service that they already deliver on breast cancer.

I would also like to thank Tony Abbott. He can relax now; I will stop pestering him. I must say that, right from the start, Tony was receptive to our position. He was patient in understanding where we were coming from. I think that one of the issues that really swung it for us was the fact that every single gynaecological oncologist in Australia argued together as a body to implement this national centre. Not only were the women together; the gynaecological oncologists were together. I congratulate Tony and his department for the way in which they have been receptive to these recommendations.

Senator MOORE (Queensland) (4.15 pm)—I also wish to make some comments on the government response. I welcome the government’s response to our inquiry into gynaecological cancer, and I also note that the government response came in a very timely fashion—within a six-month period. In my short time here, I think that is unprecedented. Also unprecedented is a government response which has been so largely positive to the 34 recommendations the committee put forward. Some of that must be brought home to the amazing efforts of Senator Jeannie Ferris. She said in her contribution that she was going to cease bothering the minister. I think the senator could be misleading the Senate with that particular statement. I hope she is, because I think that her passionate support of the women who are working through this process, their families and the extraordinarily talented and dedicated professionals who work in this area, and her particular method of bothering the minister have been instrumental in making sure that the government response has come forward.

We had no recommendation rejected by the government, amazingly enough. We referred several recommendations back to the states and territories—quite rightly, I think, because so much of the health and education process and the involvement of people in their health journeys must be a cooperative response between the patients, families, medical practitioners and governments at both state and federal levels. In many ways, that was the message of this particular inquiry: people must work together, because the only way that we will achieve what we hope to achieve in this area is for governments to work together and for us to be genuinely woman-focused—because this particular form of cancer is a woman’s cancer.

In many ways the response today is a testament to the extraordinary women who gave of their time and experience and came forward with their evidence to our committee. They also came forward with their expectations, because they told us that they expected their governments to respond. Now we have a level of response at the first round from the government and I say, ‘Come forward, Cancer Australia.’ More than half of the recommendations refer to the actions we must now take with the effective implementation of Cancer Australia. We know that can occur, but we will be watching. Indeed, there must be a focus on hearing people’s voices on their treatment and on ensuring that there are effective research dollars given. We now must work together so that the horror of gynaecological cancer is faced, identified, researched and cured. That outcome can be achieved.

I think that as a parliament we must now ensure that the work that has been put forward is fulfilled. I know that there is goodwill. There were a number of recommendations on combining services and putting forward effective research. It came out consis-
tently that the research dollars available in this area had not reflected the need. We will now have a focus for our efforts: there will be a centre whose major activity will be around issues to do with gynaecological cancer—those issues will no longer be lost or dismissed amidst all the other arguments that come forward when we talk about cancer in our community—and it will work within the auspices of Cancer Australia. We have the expectation that this will succeed. We will work together to ensure it will be done and we will be able to look to the women who came forward and say, ‘We’ve heard you. Your voices have been heard and there will be a move forward.’

I will be talking later tonight about National Ovarian Cancer Awareness Week, which is this week, and Senator Ferris mentioned the importance of awareness and education. I want to place on the record, because I promised them that I would, my support for the women from the Lymphedema Network. I think there is much more work to be done in that area. I believe that the government response, which looks at a limited number of treatments being covered by Medicare, does not go far enough. But we will be able to continue the pressure to ensure that we can go forward. As Senator Ferris quite rightly said, this is a start. We have the process to move forward.

I want to congratulate again the women who made sure that this inquiry occurred, because it was not something that was rushed out in the agenda. It took pressure and also the work of Senator Lyn Allison—

Senator Ferris—Hear, hear!

Senator MOORE—with her roundtable of women from Victoria. Those women need to be acknowledged. I think the voices of Margaret Heffernan and her supporters need to be acknowledged. Once again, this is not the end. We have had the government response. There were 34 recommendations and not one was rejected. I would like to have that on record over and over again. There is money—$1 million in seed funding. I have to admit that, when the committee was meeting on this issue, we wondered whether in fact we would be able to achieve that, but it has been achieved. We have it in black and white: the government accepts this recommendation of $1 million of seed funding money. Through the processes of this place we will be making sure that the money is spent well, that Cancer Australia maintains the activity that it began quite recently and that the women of Australia will be feeling more confident when they have this issue brought before them.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (4.21 pm)—I am also very pleased having seen this response to our report. I cannot recall seeing a government response which has been so accepting of recommendations. I congratulate the government on its response and, again, say how pleased I am. It was a great honour for me to be a part of this process. A great deal has already been said about the women who were involved both in the parliament and beyond. This response sends an important message to people that signing a petition can make a difference. It has often bothered me, in fact, that so many petitions do not go on to be investigated and looked at in detail, but this one did and I thank the Senate for its indulgence in doing that and the committee itself for accepting that petition and for taking action on it.

This is a huge step forward for women’s health. As I said, it is a great credit to the many women who have been involved in the process. This is a hidden and very life-threatening set of cancers. It is a very important step forward. Of course, the first recommendation—the most important, in my view—was to set up a centre for gynaeco-
logical cancers within the auspices of Cancer Australia. That centre will give a national focus to these diseases; it will improve the coordination of existing health, medical and support services, and community projects. What we are really asking is for this very serious condition to have a national focus, to have attention paid to it, in much the same way as breast cancer does. Throughout this inquiry we were constantly made aware of the great success in the testing and treatment of breast cancer and the terrific work that has been done in the past on that. This will hopefully save lives. This will make the lives of many women much better and allow them to cope with their disease more adequately. As I said, the most important thing is that it will save lives. We can be proud of that. Of course, we cannot know how many lives will be saved—we will never know that, but that is what we are here for.

I also pay great respect to Senator Jeannie Ferris, whose role in this inquiry was inspiring for us all. We were touched by what she was going through at the time. Her role in the inquiry process was a brave and difficult one—we all understood that at various times—but, nonetheless, I do not think we could have done it without Senator Ferris. I thank her for those efforts.

The government should be on notice that we will not put this away and forget about it. We will be following up all of the recommendations and will ask the questions. Has it happened? When are we going to see some results from this? So our work is not yet done. Senator Moore, Senator Ferris and others, we need to press on. As has been said, there are some areas where recommendations have perhaps been shifted to the states, and we might need to add some pressure to the states and the federal government to coordinate those efforts. One of those areas concerns women who travel great distances to have cancer treatments and often have very long periods of time when lymphedema very significantly affects their lives. That is a bit of unfinished business, and I make a commitment here and now that we will still be on that case. I thank the government for their response. We really look forward to watching how Cancer Australia handles this and, hopefully, we will have a vibrant and effective centre of excellence for gynaecological cancers as a result. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Finance and Public Administration Committee Report

Senator MASON (Queensland) (4.26 pm)—I present the report of the Finance and Public Administration Committee, Departmental and agency contracts: second report on the operation of the Senate order for the production of lists of departmental and agency contracts (2003-06), together with the Hansard record of proceedings.

Ordered that the report be printed.

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

Leave granted.

Senator MASON—I move:

That the Senate take note of the report.

I am pleased to speak to the report by the Senate Standing Committee on Finance and Public Administration on the operation of the order for contracts. This is the committee’s second report on the order’s operation. It provides an update on progress made since the committee’s first report on the order’s operation which was tabled in late 2002. Like the first report, this is a unanimous report of the committee.

The order’s long title is Second report on the operation of the Senate order for the production of lists of departmental and agency contracts, but I prefer its more common title:
‘the Murray motion’—so named in recognition of its chief architect, Senator Andrew Murray. I take this occasion to pay tribute to Senator Murray’s tireless work in raising the bar when it comes to the accountability and transparency of government contracts. He has been a wonderful colleague to work with during this process, across the chamber and elsewhere. I congratulate him.

The order is a measure specifically designed to open up the transparency around government contracting. Madam Acting Deputy President Troeth, you may recall it was created in response to the increased use in outsource arrangements in the late 1990s, to provide what traditionally had been solely government operations, and the parallel growth in confidentiality clauses in contracts. It is now a little over five years since the Senate adopted the order in September 2001. Over that period, the accountability environment around government contracting has changed—generally, I am pleased to report, for the better.

The operation of the order—with regular Australian National Audit Office auditing, as required under the order’s terms—has forced departments and agencies to take very seriously the requirements of the parliament for maximising transparency in contracting. The Department of Finance and Administration has issued three sets of guidance that, among other things, make clear the parliament’s and the government’s expectations about the disclosure of contract information. Department of Finance and Public Administration and Audit Office officers told the committee recently about the large amount of goodwill within agencies to comply with the order and the spirit of accountability and transparency which it represents.

While that is no doubt reassuring to know, compliance with the order does present a rather mixed picture. On the positive side of the ledger, agency lists mostly comply with the reporting requirements of the order. Internal processes for complying with contract listings generally satisfy Audit Office standards, and most agencies have an identifiable path to their internet listings.

But two particular improvements warrant note. Firstly, nearly all agencies now have standard contract templates which provide for disclosure of information if requested by a house of the parliament or by one of its committees. This is an important achievement and represents a marked improvement from just two or three years ago. The second important development since the order started operation is the general decline in the number of contracts containing confidentiality provisions. These have declined from about 24 per cent in 2002 to about 17 per cent for contracts listed in the 2005 calendar year.

Against this progress, a number of concerns remain with agency compliance with the order. Offsetting the decline in the number of contracts containing confidential information is an ongoing problem, with contract information wrongly or inappropriately classified as confidential. While things have improved since the early days of the order, over a quarter of government contracts still contain information inappropriately treated as confidential, and that matter remains a problem.

The other major concern is with the accuracy and the completeness of reporting on contracts. Problems with data integrity are not limited to reporting against the order but extend to reporting of consultancies in annual reports and contract information on AusTender, the government’s online procurement database. The committee has made a number of recommendations to address some of these problems. These largely focus on strengthening internal controls, rules and
reporting within agencies and improving training and guidance for staff handling contracts and involved in meeting reporting requirements.

As for addressing data integrity problems in reporting, the Department of Finance and Administration proposed to the committee a single reporting mechanism based on the AusTender system as a solution. This system is intended to rationalise the different reporting requirements which currently exist for the order, annual reports and procurement reporting and which are said to cause much of the data quality problems found under each system. Under DOFA’s proposal, the Senate order would be revoked and the annual reporting requirements for consultancies rescinded.

The committee has concluded that it would be premature to revoke the order at this point, particularly while compliance problems persist. The committee has instead recommended the order be retained while the new AusTender system for reporting procurement contracts is implemented. The committee’s model would allow reporting to be rationalised, with AusTender operating as the central reporting point, while transparency under the order would be maintained and possibly improved with AusTender’s enhanced reporting capacity. This approach would avoid the risks of moving to an unproven new system. ANAO auditing, an essential component in the operation of the order, would continue as currently required and would assist agencies moving to the new system. The Senate would consider amending the order, if this were required, once AusTender was operational.

The committee is confident that its suggested model will enable departments and agencies to meet their reporting obligations better and will improve the quality and coverage of transparency around government contracts. It is, as they say, a win-win solution. The committee has made a number of further suggestions that should assist senators and members with scrutinising contracts, particularly when claims of commercial-in-confidence are encountered. The committee has also reaffirmed recommendations from its first report to extend the coverage of the order to Commonwealth authorities and companies legislation bodies and to the Department of the House of Representatives. The committee also recommends the order be amended slightly to ensure the committee’s ongoing role in monitoring the order and relevant developments. I commend the report to the Senate.

Senator MURRAY (Western Australia) (4.34 pm)—I also wish to speak to the Finance and Public Administration Committee’s report on the operation of the order for contracts. In commencing my remarks, I want to record my gratitude for both the tenor and the nature of the kind remarks made by the chair concerning my work in this area. I do appreciate it and I will value those remarks. The chair’s remarks, though, and in his expression of satisfaction with the unanimous report, with the way in which that report was developed and with the way in which committee members from all political parties interacted productively to achieve this outcome, are a reminder for others—not for parliamentarians—as to how the Senate and the parliament work.

I think it is important for the media and the public to remember that there are two different roles. One is the role of parliamentarian, which is not always but most commonly practised outside of this chamber in the corridors, in the committee rooms, in private meetings and in interactions across all parties between parliamentarians who respect each other according to their abilities and skills and according to the contributions they can make. A politician, on the other
hand, will emerge in this chamber and be combative, robust and sometimes aggressive in the pursuit of their political roles. They are two different functions, and some able and skilled persons can combine both. Some are more purely politician than parliamentarian and some are more the other way around. But I think that understanding of the two roles is often lost.

I am pleased that Senator Chapman is in the chamber, because I saw a treatment of him the other week which illustrated this very problem. I thought it was very unfair and unkind. I happen to know Senator Chapman very well through his work as Chairman of the Joint Standing Committee on Corporations and Financial Services. I saw one of those beauty contest types of articles in the Adelaide Advertiser. It rated Senator Chapman very poorly and very lowly. I thought, ‘What an ignorant person.’ Whilst the impression of him may not be as one who is loud and politically in the news, if you like, as a parliamentarian, which is my common experience with Senator Chapman, he does sterling work with great attention to his task on a regular basis. It is not flash-in-the-pan stuff; it happens over time. I appreciate that as a parliamentarian and I appreciate his work as a parliamentarian. That sort of respect between the parties, between senators and across issues comes to the fore with this kind of dry topic.

It may be difficult for anyone to realise that we get interested and involved in a topic like this, but we are referring to an order, a system and a process which covers hundreds of billions of dollars—I say billions and hundreds deliberately—of contracts which are let by government and need to be monitored and made accountable to both the parliament and the government. My view is that this order is not just a great aid to the parliament and to those who wish to keep the government accountable but, of course, a great aid to the government itself because there is no way otherwise that a minister or any other person could know the detail of what goes on.

Having made those broad remarks, I wish to elaborate on and not repeat some of the key points Senator Mason, the chair of the committee, touched upon in his tabling speech. It was comprehensive and I do not need to go into any further detail. The first point I would make relates to progress with compliance with the order. As Senator Mason observed, the results have been mixed. While compliance with the order’s listing and timing requirements is satisfactory, there still remains an unacceptably high proportion—about 25 per cent—of contracts containing information wrongly classified as confidential.

This is a problem that the government and the parliament face with respect to many processes and orders. DOFA, the Department of Finance and Administration, produces many fine guidelines and guidance documents, but there is no process for enforcing those in the agencies. If chief executive and chief financial officers do not ensure that the philosophies and the guidance that is provided are internalised and become a natural part of their process, you will find compliance low, and this is again a symptom of that problem. The direction of all parties and of the parliament is very clear and yet the principles that are established and supported by government are not internalised into the practices of agencies, and that is a problem.

Of equal if not greater concern is ANAO’s detection of significant data errors in the information that is reported. ANAO’s auditing has cast doubt on the accuracy and completeness of departmental and agency reporting against not only the order but also the consultancies listed in annual reports and procurement information reported in Aus-
Tender. This revelation should be of concern to all senators interested in the spending of public money on procurement and other government contracts. ANAO told the committee that the level of integrity of the data reported is very low for a system that has been in place for a long period of time and subject to regular audit activity—and that is of concern. In this regard, the promised improvement in data integrity with the proposed new AusTender system is to be welcomed, assuming it eventuates.

This brings me to my second point, namely the finance department’s proposal to rationalise procurement reporting into a single reporting system. As Senator Mason indicated, the committee has given qualified support for the implementation of an enhanced AusTender reporting system—I say qualified because we know from experience not to take on faith promises that new IT systems will provide a miracle cure to problems with current arrangements.

New systems have to prove themselves first, a point the committee recognised in recommending a modified version to the DOF proposal to allow time for the AusTender system to become operational and tested. There are other reasons for taking a cautious approach. While the multiple reporting regimes involving the order, annual reports and current AusTender requirements are partly to blame for the low quality of reporting, they are not the only reason for low levels of compliance. Inadequate training of staff continues to be an issue. Internal business processes need strengthening to improve not only external reporting on contracting but also internal reporting within agencies for purposes of oversight and governance. Better guidance is needed on what can legitimately be covered as confidential in contracts and what should remain open to parliamentary and public scrutiny.

There are reasons the committee did not accept DOF’s proposal in full and, as Senator Mason has reported, the committee has made a number of sound, practical, unanimous recommendations to address these issues. They are also some of the reasons that the committee wisely decided against revoking the order at this stage. We are not married to the order for eternity, but at this stage it should remain.

With continuing compliance problems with the inappropriate use of confidentiality provisions in contracts and data integrity concerns with reporting, this is not the time to be dismantling the order with the safeguards it provides for the proper scrutiny of government contracts. The fact that the Senate has put the order in place signals for those concerned that the Senate has an ongoing interest in this area—an interest in how much is spent and for what purpose and who is receiving the money. In short, it signals that the Senate is watching closely and will not be put off by unwarranted claims of confidentiality.

Finally, I should reinforce Senator Mason’s point that this is the second unanimous report of the committee on the operation of the order. The Clerk of the Senate told the committee that, if you say the Senate is watching, that does add to the authority of a safeguard like this order, and I believe it. The fact that this is a unanimous committee report adds to the authority of the order and signals the Senate’s continuing interest in its retention and ongoing operation. In my view, this report exhibits again the very best of our parliamentarians’ work. I commend the report to the Senate. I seek leave to continue my remarks later.

Leave granted; debate adjourned.
TAX LAWS AMENDMENT (2006 MEASURES No. 7) BILL 2006

Report of Economics Committee

Senator NASH (New South Wales) (4.44 pm)—On behalf of the Chair of the Economics Committee, Senator Ronaldson, I present the report of the committee on the Tax Laws Amendment (2006 Measures No. 7) Bill 2006, together with documents presented to the committee.

Ordered that the report be printed.

EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND VOCATIONAL REHABILITATION SERVICES) BILL 2006

First Reading

Bill received from the House of Representatives.

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (4.45 pm)—I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (4.45 pm)—I move:

That this bill be now read a second time.

The amendments will enhance the smooth operation of the legislation so that job seekers among the targeted disadvantage groups of the Welfare to Work reforms—long term unemployed people, parents of school age children, mature age Australians and people with disabilities—can continue to be supported and assisted to build their capacity and find work through employment and related services.

There are minimal financial implications for the measures contained in this Bill.

Debate (on motion by Senator Brandis) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.
COMMITTEES

Rural and Regional Affairs and Transport Committee

Reference

Senator O’BRIEN (Tasmania) (4.46 pm)—I move:

That the following matter be referred to the Rural and Regional Affairs and Transport Committee for inquiry and report by the first sitting day in June 2007:

An examination of the effect on regional and rural Australia of the Government’s February 2007 decision to phase-out Non-Forestry Managed Investment Schemes, including:

(a) the effect on jobs and investment in rural and regional Australia;
(b) the identity of agricultural industries which will be most affected;
(c) the regional and rural communities which will be most affected;
(d) the effect on exports; and
(e) the merits of maintaining Non-Forestry Managed Investment Schemes and alternatives to the Government’s decision.

This motion proposes that the Senate Rural and Regional Affairs and Transport Committee conduct an inquiry into the effect on rural and regional Australia of the government’s recent decision to abolish non-forestry managed investment schemes. The government may try to dress that decision up as a decision of another body, but I will demonstrate that it was in fact the government’s decision to allow that to occur.

The effect of the government’s decision is that non-forestry managed investment schemes will no longer have access to product rulings from the Australian Taxation Office after 30 June this year. This will remove their capacity to raise capital to make investments in rural and regional communities. The motion proposes a Senate inquiry which will examine all the aspects of the decision, including the effect on jobs and investment in rural Australia, the impact on rural exports and the effect on rural and regional communities. The motion also proposes that the inquiry examine the merits of non-forestry managed investment schemes and any alternatives to the government’s decision.

Before I discuss the detail of the motion, I want to explore the government’s handling of this affair in more detail and expose the true intentions of the Minister for Agriculture, Fisheries and Forestry, Mr McGauran, who has been the government’s and the National Party’s champion for the destruction of this scheme. I want to spend some time exposing the government’s ducking and weaving on this issue—everything from blaming investors for the political fallout to its pathetic attempt to pass the buck to the ATO.

First, let us look at the government’s sneaky attempt to bury the story earlier this month. The Assistant Treasurer, Mr Dutton, issued a press release announcing the government’s decision at eight minutes to seven on the evening of Tuesday, 6 February 2007. If the government was comfortable with this decision on this matter, why would it attempt to hide it by sneakily issuing the announcement at eight minutes to seven on a Tuesday night? Maybe the government was hoping that no-one would notice and that it could sneak this one through without any fuss. Maybe the government just did not fully appreciate the impact of its decision.

Since announcing the decision earlier in February, rural communities and the investment community have expressed widespread concern over both the substance and the process of the government’s handling of this issue. The government, frankly, even ambushed its own backbench. It is well known that the coalition is in disarray over this matter. Government backbenchers are aware of the concerns raised by their own constituents about how deeply this decision will impact...
on jobs and investment in their own communities. After several weeks of passing the buck onto the ATO, this week the cat was let out of the bag. Yesterday in question time, Senator Abetz admitted that the government had:

... determined that it was—and I think the language I am about to use is correct—‘not disposed to intervene’.

So the question is: why then did the government have no problem intervening on exactly the same issue when it came to forestry managed investment schemes? In forestry managed investment schemes the government handled the matter quite differently. For example, in that case the government held in-depth consultations with industry. The government developed a plan that increased accountability on how money would be invested. That plan provides long-term certainty to the forestry industry.

Compare that decision with the government’s handling of the non-forestry managed investment schemes. First, the government made the decision without warning. It gave the industry less than five months before it would effectively be out of business. Second, it took no consultation with industry, and in fact discouraged those who sought consultation, saying ‘it was not time’. It undertook no consultation with affected communities. Thirdly, in Senate estimates two weeks ago it was revealed that the minister’s own department, the Department of Agriculture, Fisheries and Forestry, has undertaken no research on the issue and has provided no advice to the minister.

In response to questions I asked on the research undertaken by his department on agricultural MISs, the department’s corporate policy chief, Mr Allen Grant, said:

I am not aware that we have done any specific research on that.

... ... ... 

Partly because ... up until recent times that has not been seen to be a high priority issue.

So not even the department knew this decision was coming. I am sure the department, if they appreciated the foolishness of the government’s decision-making process, would have forewarned the minister of the impact. They did not because they were given no notice that this was likely to happen.

So it is abundantly clear that the minister sought no advice on the impact of his government’s decision on jobs or investments in rural and regional communities, the very communities that this government and this minister claim to have concerns about. He did nothing. He did not consult them. He did nothing to alert them to a matter which would have a drastic effect on their communities. He slipped the decision through late on a business day, to avoid news coverage that day, no doubt. But, frankly, it has caused great consternation.

What do we also know? The minister does not know how many jobs will be affected. He has no idea. He does not know how many businesses will be shut down. The minister does not know the impact of his decision on Australia’s rural exports. The truth is that the minister for agriculture and this government have no idea what will occur as a result of this decision. It has been motivated not by a concern for the prosperity of rural Australian towns and communities but by a desperate need to respond to pressure from within the minister’s own party.

Minister McGauran has been campaigning on behalf of the National Party to close down non-forestry managed investment schemes. He has had, I must say, the single purpose of shutting down these investments in rural and regional Australia without any knowledge as to the impact his actions would have. At best, I would have to say, the minister’s actions
have been grossly irresponsible and self-interested and the government’s handling of this affair has been arbitrary and condescending. It is little wonder that the coalition is in utter disarray over the minister’s handling of this matter, and the government’s handling of it, for that matter.

I want to have a closer look now at the managed investment schemes and outline some of these specific examples of businesses and communities that will be impacted by the government’s decision. Managed investment schemes require several years—in some cases fewer—to be prepared and established. This lead time involves the employment of many subcontractors who prepare the necessary plant and equipment in anticipation of the managed investment scheme coming into effect. As well, there are all the legal preparations for the investment, in the prospectus and the like.

Labor is aware that there were dozens of managed investment schemes due to start in the upcoming years. These schemes would have employed hundreds of contractors and employees in various projects right around regional Australia. Labor would like to know—and I am sure that these people and their communities would like to know—where the government’s decision leaves the projects. What is the impact of the government’s decision on the companies involved in these planned managed investment schemes and on their employees and contractors? Frankly, the government has ignored these companies and individuals.

But worse than that, the uncertainty created by the government has already caused job losses even before 1 July 2007. Take the case of the olive producer Boundary Bend in Victoria. It has already laid off 30 permanent staff from its operation in the community of Lara.

Senator Heffernan—It was the lack of water!

Senator O’BRIEN—Frankly, the suggestion that Senator Heffernan makes that it was the lack of water does not accord with what is stated by the company. Boundary Bend has already laid off 30 permanent staff on the basis that it cannot guarantee the continuation of projects which involve the preparation of olive trees and land for planting. This is a direct result of the government’s decision, and you would think that the government members would get their lines right. Minister McGauran is suggesting that it is some scheme by the investors to cause pain in rural communities where they are withdrawing their funds. Senator Heffernan says that it is a lack of water. Perhaps when the government can get its lines right it might have a little bit more credibility on this matter.

Labor is aware of numerous project proposals due to be started in the coming financial year that are now under threat of being halted. These include: organic olives in Brookton, Western Australia; truffles in Manjimup, Western Australia; almonds in Robinvale, Victoria; abalone in Elliston, South Australia; mangoes in Mataranka, Northern Territory; as well as walnut, olive, avocado, wine grape and almond projects in the states of Victoria, New South Wales, South Australia, Queensland and Tasmania. How many real jobs would have been created by these projects? How many of these real jobs have now been axed as a result of the government’s decision? Do not ask the minister because we know that he does not know. He has not sought advice. He just does not want to know.

In the Weekly Times last week the minister even had the gall to blame investors for the uncertainty and job losses arising from his government’s own inept decision. In truth,
the blame for all this uncertainty and the job losses rests with Minister McGauran, his National Party colleagues and the Howard government. Agricultural industries and communities across Australia have been left in a state of limbo as they await the next move by the government. This whole process has been a shambles from start to finish, and the government back bench knows it too.

In moving this motion to propose that the Senate committee undertake an inquiry into managed investment schemes, I am offering the minister and the government a chance to give rural and regional Australians a say—to give them a voice. They have not had one to date in this matter. Labor’s proposed inquiry is the right thing to do by rural and regional Australia and the thousands of people who stand to be impacted by the government’s decision. Frankly, it is a ‘get out of jail’ option for the government. A Senate inquiry would allow the government to have a full investigation of the benefits of non-forestry managed investment schemes in rural Australia and the potential impacts which may arise if the government decides to proceed with its decision. It would allow affected industries and communities to put their views to the parliament. A Senate inquiry would allow the parliament to hear from the shopkeepers, the contractors, the business owners, the rural industry and the mums and dads who may be affected by this decision. It would allow investors to share their views with the parliament. It would allow the parliament to deal with the claim that these schemes are just tax rorts and a drain on the budget. It would allow the parliament to assess the alternative claim that, whilst there is an up-front tax deduction, there is also a substantial gain to the budget out of these initiatives, a substantial saving to the budget as a result of jobs being created and a reduction of unemployment and social welfare payments. There would also be an increase in tax collections from the employees and contractors involved. All of these matters would offset the initial tax cost to the budget of the schemes.

Most importantly, Labor’s Senate inquiry would restore the principles of good governance and allow the government to properly assess the impacts arising from the decision on MISs on the Australian economy and rural communities. But, frankly, there is only one reason the government will not support Labor’s proposed Senate inquiry, and that is that the government, the minister and those who proposed this action do not want the truth revealed—that they are afraid an inquiry will show that the proposition they have been carrying forward in their party room and the community is baloney. That is the only reason that senators in this place will not be prepared to stand behind and defend their proposition and allow it to go to a Senate inquiry. It is quite cowardly, in my submission. It means that they have no courage of conviction in the proposition that they put forward.

I am calling on the government not to allow the prejudices of the minister and his government colleagues to stand in the way of well-informed, fair decision making. I call on the government to restore the principles of good governance and support Labor’s motion for a Senate inquiry into these managed investment schemes. If this inquiry does not go ahead, something might happen or it might not. If nothing changes in relation to the non-forestry managed investment schemes and they are closed down, not only will there be an impact in the communities affected but moneys that might have gone into those schemes will go into the forestry managed investment schemes. The savings to the budget will not be realised—indeed, they cannot be realised because the decision, in all likelihood, will be the subject of legal
challenge. So ultimate savings to the budget are hypothetical.

We will see an immediate impact on schemes. We will see jobs disappearing in rural and regional Australia. Senator Heffernan clearly does not care about that. We will see a lot of businesses broken. We will see bankruptcy on a significant scale. We will see missed opportunity. I was speaking to someone from an abalone operation who was talking about a very significant opportunity with significant returns which can only get up with managed investment schemes but which ultimately will pay back manyfold, in returns over a period of time, the amount of money that it would cost the government. This is quite an exciting proposition, one that does not use water, does not buy land, uses Australian technology and will add to Australian exports of seafood products—seafood products that, frankly, we need to produce and we are not producing sustainably at the moment. That is just one example of the many examples of disaster that this decision is causing. I urge government senators to reconsider the government’s position, not to support the minister’s proposition on this matter and to vote for Labor’s inquiry.

Senator HEFFERNAN (New South Wales) (5.02 pm)—This is the greatest display of hypocrisy that I have ever seen, I think. The guys over there do not have the guts to have a position on whether Australia ought to enter into the complete alteration of Australia’s farming culture to one of lurk farming. I will come to what they propose in a minute. Their Mr Bowen has been going around saying what they propose. They do not need an inquiry to work that out. The proposition is that in the same capital market you can have people farming with what I call tax minimisation farming methods—lurk farmers. On Landline on Sunday a developer owned up and said: ‘Yeah, we can make a profit without any production. We can make a profit from our management fees, with no regard at all to the market and supply and demand.’ Why the hell would you want people putting in more grapes now, when the grape market is glutted? Tell me that.

So you have people competing in the same capital market that can make a profit without any production. I will give almonds as an example. The almond guys are charging $40,000 a hectare for something that costs $10. So they are competing in the same capital market as farmers who have to make a profit from production with full regard to the market and supply and demand. It totally corrupts both the water market and the land market.

Senator O’Brien, you want to have an inquiry into all this because you do not have the guts to have a position. Your leader does not have a position and you do not have a position, because you want to go to the election saying: ‘We’ll have an inquiry. We’ll look into it.’ You will not take a position because either way you might have a political downside. Guess what: Mr Bowen, your shadow Assistant Treasurer, has been going around to the promoters of MISs—and I hope everyone is listening to this—saying, ‘If we get into government, we’ll reverse this and open the market again to the lurk farmers unfettered.’ That is what he is saying. You probably do not even know that, but that is what he is saying.

Senator O’Brien—Is that right?

Senator HEFFERNAN—That is exactly right.

Senator O’Brien—You’re not verballing him, are you?

Senator HEFFERNAN—No, I certainly am not. Obviously the promoters have been telling me, because they have been trying to pressure me. If you want a capital market that is dependent for its viability on the generosity of Australia’s taxpayers—and the
graph on the take-up of these things is vertical—it is a $1.3 billion drain on the budget.

Senator O’Brien interjecting—

Senator HEFFERNAN—If it is all about 20/20 vision and forestry, then why are all the foresters getting into everything else? They are getting into everything else because it is a great lurk. This is lurk farming. Great Southern Plantations are still about 70 per cent forest and 30 per cent out in the other lurk world. They will go back to forestry, as you said. Timbercorp are about 70-30 the other way. But, if you want to compete, it is buyer beware. If you want to go into tax minimisation, driven by profit from a tax loss, and farm on that, then it is buyer beware.

The test—and there is no need to have a Senate inquiry about this—is whether these people are passive investors or not. That is something that the Commissioner of Taxation will have to sort out. We do not need a Senate inquiry; we need a test case. The idea that somehow the Labor Party can weasel its way through by not having a position on this, by having an inquiry, when the shadow minister is running around saying, ‘She’ll be right, brother; just vote for us and in the meantime publicly we’ll say we’ll have an inquiry,’ is garbage. It is gutless and garbage.

You cannot have a proposition that the rest of the world—the United States, Europe and England—has rejected; that is, the viability of a farming industry based on a tax subsidy. It is complete hogwash. There is absolutely no need for a Senate inquiry. There will be a tax office ruling and a test case. You ought to have the guts to say how you are going to pay for pensions and health care if you are going to have a drain on finance of these proportions. This will build to become bigger as a tax lurk than the bottom of the harbour scheme. This is a deadset tax lurk.

The government recognises that some transitional arrangements will need to be sorted out in the aftermath, but the proposition that you can build an agricultural industry that relies for its viability on a tax lurk is garbage. What about the subsidy rate that will eventually come out of this, if it is allowed to build? While we are arguing in the World Trade Organisation about the devil of the European Union and the US farm subsidy program, per head of population and per dollar of production this will make their schemes look like paltry schemes.

It is an absolute fraud to propose an inquiry into this matter. You blokes are going around saying, ‘Vote for us and we’ll put you back where you were.’ All of these lurk agents are being told: ‘We’ll put you back in business. In the meantime we’ll cover ourselves politically.’ You might ask your leader, Mr Rudd, what his position is. Maybe the media could ask, ‘Are you for or against?’ But you don’t have a position and instead you say, ‘We’ll have an inquiry.’ You are trying to have two bob each way, and your Mr Bowen has put his cards on the table. It is an absolute fraud of a proposition to want to hold an inquiry into the matter.

Senator MURRAY (Western Australia) (5.09 pm)—I support the rationalising and reduction of managed investment scheme tax concessions, and I do not oppose their being phased out altogether. With that position, you would have to ask: why would I support this reference to a committee? I want to explain those reasons.

As a member of the Senate economics committee, I had the unfortunate experience of spending several years examining the issue of all those people who had been affected and hurt by the tax-effective managed investment schemes that had to be closed down because they were essentially tax lurks, to use the language of Senator Heffernan; they
were being promoted by dodgy promoters, spiv lawyers and spiv accountants and they were making victims of innocent and unthinking Australians.

I have never forgotten going to Kalgoorlie to hear from these people and holding the hands of weeping men and women—working men and women; ordinary folk who had, by the sweat of their brow, made a few bob—who had lost their savings in these schemes which had been perverted for purely tax benefit reasons and were not productive enterprises in the sense of commercial enterprises. Of course, that was not true of every managed investment scheme but it was true of the abuse of those schemes.

If we fast-forward to now, my own belief has long been that the tax office and the government need to be far stricter and stronger about the rules as to when a tax concession should be allowed, and should be based on the commercial operation that is in play. I am concerned that what has happened in the latest exercise is that the tax office has acted properly and the government has acted improperly, because I see a false distinction between the forestry managed investment schemes and the non-forestry managed investment schemes. There is not a distinction between trees. I fail to see, from a greenhouse and environmental point of view, why a gum tree is any different from a walnut tree, but I am not a biologist; maybe some scientist can explain it to me. I am a tax man and I cannot explain it. It sounds very odd.

The reason I welcome the proposal for an inquiry is that it could sort out these issues. It could try to develop a policy which would show some consistency and which would attack this issue on the basis of policy principles rather than political principles. I think, as a person who deals with tax and finance all the time, that we have to continue to strive to make sure that policy principles are rational and transparent. For instance, if the community, the parliament and the government decide that trees are good—and I use ‘good’ in the sense of an economic good—environmentally and economically then all trees, not just some trees, should be supported with tax concessions.

To my mind—and I might have designed these terms of reference a little differently but I still think these issues would flow—the principles surrounding such tax concessions need to be explored and examined. I think, in terms of my own tax philosophy, that tax concessions are indeed appropriate for infant industries but should be time limited and phased out on a set timetable, unless an industry is of national strategic significance or of national economic or national environmental significance. For instance, if we want to ensure a better water supply in this country, we might decide to subsidise water pipelines by way of a tax concession. That is perfectly reasonable; it is an environmental argument, not an economic argument.

But any industry that is not viable, profitable or sustainable without tax concessions should not be given tax concessions in the first place. It is as simple as that. You have to have a good, sound, consistent policy reason for giving tax concessions. I think the proposed committee would need to examine the history, nature, extent and cost of managed investment schemes; the arguments for and against them; the economic, social and environmental consequences of managed investment scheme tax concessions; the dangers for the current government; ATO decisions; the fact that there is no transition period; and proposed remedies and policies.

The matter of a transition period is quite important. If you go back full circle to my opening remarks, when I described to the chamber what was going on with the tax-effective managed investment schemes that
the Senate Standing Committee on Economics examined, you will recall that I said they were pushed by dodgy promoters and so on. The point behind that is that many investors would have entered those schemes in good faith, trusting the tax advice and the legal advice that they got. The fact that they might have been conned or gulled or taken advantage of to get them into these schemes needs to be recognised, and that is why you need a transition period—to ensure that such persons can get out with some of their financial skin intact.

In conclusion, I will say again that I support the rationalisation and reduction of these tax concessions and do not oppose them being phased out altogether. That is my policy position. But I support the Labor Party’s initiative in wishing to have this matter properly and forensically examined so that a better policy picture can emerge. It is for that reason that I would suggest that the chamber support Senator O’Brien’s motion.

Senator SIEWERT (Western Australia) (5.16 pm)—The Greens also support a reference of this type to the Senate Standing Committee on Rural and Regional Affairs and Transport but not for the reasons that Senator O’Brien outlined. We have concerns similar to Senator Murray’s in that we fail to see why the government has taken action on non-forestry activities but not forestry activities. We would like to examine that for a start. We would also like to look at the impact that managed investment schemes have had on the agricultural economy and on decision making in agricultural areas, and how MISs at present are in fact affecting and distorting prices for water and land—and I will come back to the issue of water in a minute.

We have concerns about the impact MISs have had on family farms and the way agriculture is practised in Australia. It has become apparent that the people who develop these schemes and those who invest in them do so for the up-front tax deductions. These people do not seem to be interested in the longer term profitability of some of these schemes, which is why we have concerns about the schemes’ impact on agriculture. If you are investing in these schemes for their up-front tax deductibility, you may not be that interested in the sustainability of the scheme or of the particular agricultural enterprise. And I am deeply concerned that some of the crops being invested in are in fact unsustainable in particular areas. Growing olives, for example, where irrigation is needed, using large amounts of water, may be unsustainable in the longer term in certain areas.

Then you add in the fact that these large investment schemes are buying up water entitlements, water licences—many schemes, in fact. It was reported just yesterday that Macquarie Bank has acquired a great many of these licences with a view to planting higher security crops, thereby not only transferring water out of a good many of the districts but also transferring water entitlements to higher value crops. Now, that raises two questions for me. First, do they expect to be bought out through the $3 billion national water plan? Second, does that mean that they will try to secure that entitlement because it has now gone to higher security water applications? And they will secure that, whereas people running smaller family farms will not.

There is also the issue of the impact that these schemes are having on the price of water licences and the fact that they can aggressively enter the market. I am told, for example, that some large investors are actually going straight to brokerages before licences can even make it onto the market, thereby again, I believe, potentially distorting the water market. So, while we are looking at a process to reform and get better management of our water market, as we have already seen
large investors could be buying up these allocations and distorting the market.

What I would like to know is how those water licences are going to be handled now that the changes have been made to the non-forestry managed investment schemes. How are we going to deal with those water licences? I believe that area needs reviewing. What are the implications now for rural communities, for better investments? How should we really be investing for the long term in agriculture in Australia? I do not for one minute believe that those organisations and people responsible for MISs are concerned about the long-term security and sustainability of the agricultural industry in Australia. I think they are largely focused on achieving tax deductibility for up-front initial investments. I believe an inquiry would enable us to determine how best to focus on the long-term sustainability of our agricultural industry. There is no doubt investment is required, but I do not believe that MISs, as they were, were the appropriate tool.

I would also like any inquiry to look at how many people were employed through these MISs in our regional centres and just what impact phasing the schemes out of regional communities would have. You have to balance that against the number of family farms that have been bought out, both for plantations and alternative crops in areas where—I will say it once again—we have deep concerns about their sustainability.

I was looking at a media release from the Australian Dairy Farmers. They actually supported the government’s change in the MIS process because they were concerned about the impact it is having on issues such as water—and land prices, in particular, where smaller landowners cannot afford to compete with the MIS and the impact that has. I think we should also be investigating what impact it is having on the commodities market. I definitely agree with my colleagues on looking at the transition process for moving from this investment scheme to supporting sustainable agriculture and rural communities. I think that is tremendously important. Therefore, the Greens would support this sort of inquiry but, as I said, not necessarily on the terms Senator O’Brien has articulated.

I think how we manage investment into an agricultural system undergoing change through dramatically reduced water security and climate change is the sort of issue that very strongly needs further investigation. And it needs to be looked at holistically. That is another reason for an inquiry of this sort. We should not necessarily be looking at how we go back to the present system. From everything I have seen, I do not believe this is for the good of the long-term sustainability of agriculture in Australia—and certainly not for family farms and a good deal of regional communities.

I think some of the managed investment schemes have favoured some regional communities and not others. I suspect that the negative impacts have far outweighed any positive impacts, and I would dearly like to see the figures for employment under the current schemes versus how many people have been lost to regional communities. I could reel off a number of communities in my home state of Western Australia which have suffered from tremendously reduced numbers in the community due to the impact of areas being bought up, taken out of traditional farm practices and moved into plantations, in particular, but also various other schemes under the MIS system.

So we would support this referral but we would seek to investigate a far broader set of issues, including the impacts the managed investment schemes have had by distorting our agricultural systems, land practices and land and water prices in Australia. We also
need to look at how this is damaging our water market, particularly because big players have now bought up large numbers of water entitlements in the water market. I believe they are distorting those markets and will continue to. I would dearly love to know whether they will now expect government to buy out those allocations. They have driven up the price of water, so it will cost us even more to fix the overallocation, particularly in the Murray-Darling system. It is going to be vastly more expensive due to the impacts of the MIS process. I would like to know what these companies now intend to do with the entitlements that they have bought up if they are not intending to sell them. Where do they intend to invest? I believe all of these issues need very thorough investigation.

Senator O’BRIEN (Tasmania) (5.25 pm)—I am happy to respond, if the government’s only defence is that put by Senator Heffernan. Frankly, we are seeing a disgraceful attitude to the scrutiny process of this parliament. Let us be absolutely clear on this. This is a decision the government took effectively in the dead of night without consultation. This is a decision which will have a substantial effect on the rural communities this government claims to champion. This is a decision which has been the subject of criticism by governments and coalition or Liberal Party oppositions in other states and territories around this country. This is a decision which will put people out of work and businesses out of business, subject to any transitional arrangements which are as yet unannounced.

This is a decision which will take millions of dollars out of country towns. It has been suggested to me that the olive industry puts $10 million a year into the town of Boort in Victoria. Although they were not non-forestry MISs, we saw on the Landline program that the forestry MISs caused a substantial change to the prosperity of the town of Bombala in southern New South Wales, not too far from here. These schemes have their benefits and indeed they may have their costs.

So what is the problem with having an inquiry to look at that? It cannot order the government to do anything. It cannot make the government change its position. But what it can do is get us the facts. When you boil down the government’s opposition, it comes down to this: the government does not want the facts known. The government does not want people to know the impact of its decision. It will come out. There will be people who will tell us over time what the effect will be. They just will not get the benefit senators get of saying what they think under parliamentary privilege.

It will come out. Eventually the numbers that lie behind the government’s decision will come out. Frankly, it would have been good to have them on the record by now, rather than the unauditable commentary from Senator Heffernan about the cost. Those sorts of matters will remain a bit of a mystery. No doubt we will tease them out over time. If Labor wins the next election then all will become clear. But, frankly, it is a bit hypocritical of the government to talk about what these schemes cost the budget. Senator Heffernan described them as rorts—tax rorts, he said. But why is this different to some of the government’s funding programs that have been otherwise described as rorts? The difference is that the government claims political patronage when it makes grants to regional communities. We do not oppose them all, but some of them have been absolute rubbish, utter rorts, an abuse of process and a waste of money.

The government has been guilty of rorting the public purse for electoral advantage, by its own direct decision. It is not frightened to do that. No doubt it is going to do it again.
this year. It has a lot of programs stored up. We are waiting to see the flood of announcements, the cheques being signed and the allocations. And that is all right, according to the government.

But what about initiatives that can create businesses in communities, can create real jobs in communities and can get the wealth flowing through the community? This is not just me talking; there are members of the coalition parties in state parliaments around this country pointing to this decision and saying it is an outrage. This includes Senator Parry’s state colleagues. You would not see a more dismissive release than that from his colleague the agriculture spokesman in the Tasmanian parliament, a member of the Liberal Party, castigating the federal government for the decision. So it is not just the Labor Party saying that this is an outrageous decision. If you read the papers, you know it is also members of the government’s own backbench, whether it is the outspoken member for O’Connor or others.

There are a number of people on the government’s backbench who are openly critical and some who are privately critical. It will be interesting to see how many of those have the courage of their conviction to take that short walk across and vote for the inquiry and pursue a better outcome, pursue their belief. But we will see what happens; we will see whether the government is able to get all of its members voting for it. We will see whether the courage of their conviction comes out in the vote.

Labor does not require any member to support any particular proposition. I am not surprised the Greens would prefer that this was an inquiry into all managed investment schemes, because they would want to attack the forestry managed investment schemes, which have been allowed to continue. We did not oppose that decision. What we do oppose is the hypocrisy of the approach that this government has taken to this. We would like the facts on the table. We are presenting the Senate with an opportunity to try and get those facts on the table and give people a say. The government may well scuttle across to this side of the chamber and vote no and prevent the inquiry and to silence the communities they claim to represent, but in the end they should not expect that those communities will forgive them for it.

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

The Senate divided. [5.36 pm]
(The President—Senator the Hon. Paul Calvert)

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

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Brandis, G.H.
Calvert, P.H. Campbell, I.G.
Chapman, H.G.P. Colbeck, R.
Coonan, H.L. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Australian Commission for Law Enforcement Integrity Committee Establishment

Message received from the House of Representatives agreeing to the resolution establishing the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

TAX LAWS AMENDMENT (SIMPLIFIED SUPERANNUATION) BILL 2006
SUPERANNUATION (EXCESS CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
SUPERANNUATION (EXCESS NON-CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
SUPERANNUATION (EXCESS UNTAXED ROLL-OVER AMOUNTS TAX) BILL 2006
SUPERANNUATION (DEPARTING AUSTRALIA SUPERANNUATION PAYMENTS TAX) BILL 2006
SUPERANNUATION (SELF MANAGED SUPERANNUATION FUNDS) SUPERVISORY LEVY AMENDMENT BILL 2006
SUPERANNUATION LEGISLATION AMENDMENT (SIMPLIFICATION) BILL 2007
INCOME TAX AMENDMENT BILL 2007
INCOME TAX (FORMER COMPLYING SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX (FORMER NON-RESIDENT SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX RATES AMENDMENT (SUPERANNUATION) BILL 2007

Second Reading

Debate resumed.

Senator CHAPMAN (South Australia) (5.39 pm)—When the debate on the Tax Laws Amendment (Simplified Superannuation) bill and related bills was interrupted for question time, I had outlined the major reforms that the Howard government has introduced with regard to superannuation which are reflected in this legislation. I was then outlining particularly the benefit that has been delivered to small business as part of decisions made in the finetuning process of those major superannuation reforms. I was referring to the provision in the legislation for an amount of up to $1 million gained over the lifetime of a small business person or farm owner to be put into a superannuation fund as an after-tax contribution, provided that money is derived from the sale of the small business or farm assets for the purpose of retirement.

This is a very important part of the legislation, a part that I strongly advocated with my colleague Senator Bernardi after meeting intending retiring farmers and their accountant in Adelaide in the latter part of last year. We listened to the concerns expressed about
their inability, under the arrangements as they had been announced in the budget, to put the proceeds of their farm business, once sold for retirement, into superannuation. When this additional measure was announced it was decried by some, and I think by some in the Labor Party, as a benefit for the rich. It is nothing of the sort, because anyone who knows anything about small business or farmers knows that during their working lifetime they have very little opportunity to put money into superannuation because any surplus money from farms, on the rare occasions that a surplus is generated from a farm or from small business, is put back into the farm or small business to pay off the farm or pay off the small business. So, during their working lives, those people have very little opportunity to put money into superannuation, unlike people on salaries, particularly those on high salaries, who have that opportunity.

Traditionally, under previous arrangements, when those people came to retiring age they regarded their small business or their farm as their retirement nest egg and often sold the small business or farm and deposited the proceeds into a superannuation fund to provide adequate income during their retirement years. Under the initial announcement, with the $150,000 untaxed contribution limit that applied, or the $450,000 limit over a three-year cycle, this particular group were excluded from putting the proceeds of their business into superannuation. In effect, the $1 million only equates to what another person who could put in the $150,000 year by year for 20 or 30 years would have in their superannuation fund. So there was no particular concession being made to the rich, as the critics of this decision would have you believe. It in fact introduces an element of fairness for people who during their working lives simply do not have the capacity to put money into superannuation. It allows those people at the end of their working lives, when they sell their small business or farm, to make that contribution to superannuation.

This is a very important initiative, which, as I said, came out of discussions that Senator Bernardi and I had with constituents and their accountant. As a result of those discussions, I took the matter to the government members’ Treasury committee. Despite some initial reticence, I have to say, on the part of the Treasurer, he eventually saw the wisdom of extending this provision to allow farm owners and small business people to make this up to $1 million over a lifetime after-tax contribution. So this initiative does put small business people and farmers on an even footing with those who can make regular contributions during their working lives.

Unlike the other concession provided, whereby people currently planning to put money into superannuation from the sale of a home or other assets would have until 30 June this year to put up to $1 million into a superannuation fund, this is an ongoing provision well into the future. Provided that the small business or farm owner meets the same requirements in place to get the capital gains tax concession, these people will be able to make that contribution to their super fund to provide for their retirement. So, as I said, this is a very important provision. It is very good news for small business people and farm owners, who, as I said, regard the value of their business as their retirement nest egg and who in the past have always been able to put that nest egg into superannuation funds.

Of course, if the opposition, and Mr Rudd in particular, have their way, this may be the last good news that small business owners receive. As we know, a Labor government intends, in its workplace relations policy, to abolish Work Choices and instead reinstate the unfair dismissal laws for small business
employees. It has been another very important initiative of the Howard government to get rid of those draconian unfair dismissal laws which hung around the necks of small businesses and in fact prevented them from providing employment opportunities for people in the community, notwithstanding that often they needed those extra employees. The draconian nature of the old unfair dismissal laws was a substantial disincentive to small businesses to employ people.

So it is important that small business owners remain free to make their own workplace agreements with their employees under the Work Choices legislation that this government has initiated and do not have that opportunity diminished by the return of the unfair dismissal laws which Work Choices gets rid of. As I say, we must not allow the return of the Labor Party to government because that would not only undo the Work Choices legislation and the good work that that does for small business but might well undo these particularly important superannuation changes for small business.

I want to refer to the way in which these changes also have the capacity to address the challenge of encouraging younger Australians to save for their retirement through superannuation. The raft of benefits that I highlighted earlier make salary sacrificing into superannuation the most profitable and tax effective of a range of popular investment strategies. Superannuation is now far superior to negatively geared investments, whether property or shares—indeed, it is even superior to accelerating repayments on the home mortgage.

However, I think it is true to say that, despite these incentives, for those under the age of 40, whose retirement is 20 or more years away and who have immediate family and mortgage pressures straining their finances, the thought of saving for retirement is well down their list of priorities. It is a fact that most Australians save for their superannuation after they reach the age of 50. Getting young people to invest in superannuation is a tough problem because it is hard for them to envisage how much their savings will stack up over the years. The upshot of that is that younger Australians, especially in the lower to middle-income groups, almost certainly will need more help to follow through with any good intentions they have to contribute to superannuation. We need to find the right carrots to attract extra savings that will help younger Australians into a comfortable and enjoyable retirement.

The Howard government’s co-contribution scheme—another very positive initiative of this government—saw lower income Australians collect more than $33 billion into their superannuation funds from the government co-contribution over the last three years. The contribution rates and dramatic yearly fluctuations, however, show that this is not enough. We need to examine a number of possibilities to address this challenge. Introducing age based criteria combined with current income criteria for eligibility for the government co-contribution is something that I believe the government might consider. For example, for lower income and younger Australians we could increase the current annual $1,000 cap and/or increase the government co-contribution from the current $1.50 to $2 for every dollar that an individual contributes. We could combine those measures with relaxing the taper rate at which the government co-contribution is reduced for those earning more than $28,000. I believe these are initiatives worthy of consideration.

To support these options we also need better education and to initiate ongoing awareness strategies. For instance, many people in the superannuation industry are convinced that the government could achieve greater
voluntary contributions if the regulators eased their rules which have made most commercial groups steer away from using calculators which enable people to model their own situation and see firsthand what they need to do to achieve their retirement financial goals.

Similarly, the Howard government’s recently introduced choice environment allows people to choose their superannuation fund. Despite the widespread benefits that this brings, there is, of course, additional administration for all businesses through an increased paperchase—sorting out separate super payments to scores of different funds, depending on the individual employee’s particular choices. Hence, establishing a super choice centre within the Australian Taxation Office would be a significant cost-saving solution, offering businesses one standardised payment process per employee without the maddening and costly paperchase.

New Zealand will be introducing this solution later this year, along with a world-first default super option that will see employees who do nothing having an additional four per cent of their wages deducted and paid into superannuation unless they tick a box opting out or specify another deduction amount. This initiative takes a common employee response to superannuation—that of doing nothing—and uses it as a tool to secure a comfortable retirement income for lower income and younger people.

Alternatively, in Australia, an opt-in box could be considered, applying to either salary sacrificing or co-contribution deductions. On the ATO tax file number declaration form, a new superannuation section could be linked to attached information, showing the employee what their level of contribution may net them at retirement, based on current projections, compared with not making voluntary contributions additional to the legislated nine per cent employer contribution.

Along these lines, the current choice authorising tax file number disclosure to an employee’s superannuation fund could also be changed so that disclosure is automatically authorised unless the box is ticked to deny disclosure. This could be accompanied by an attached explanatory note that nondisclosure could result in money which should be going to their superannuation fund being taken out in tax.

So there are a number of initiatives, I believe, which could create opportunities for young people—and, indeed, further incentives for young people and lower income people—to make worthwhile contributions to their superannuation funds to ensure that in retirement they will have an adequate retirement income.

With world-leading superannuation reforms being locked in by this legislation, we must continue to pursue and promote the Howard government’s reform agenda. There is no room for complacency in securing opportunity and building prosperity for all Australians over the long term. This legislation takes a major step along the road to those goals. It is yet another major reform of the Howard government, and I commend this legislation to the Senate.

Senator BERNARDI (South Australia) (5.51 pm)—I am pleased to follow Senator Chapman in endorsing the very good policy contained in the Tax Laws Amendment (Simplified Superannuation) Bill 2006, because it is policy that is in the interests of all Australians. It is in the long-term interests of Australia and it has been quickly recognised as such by the men and women of Australia, the financial professionals and even the union dominated industry superannuation funds. The only people who have had to be dragged kicking and screaming to support
this legislation are the economic spendthrifts on the other side of the chamber: the Labor Party. It took them months to decide whether they could support a fairer and simpler superannuation system for all Australians. Just as with the tax cuts announced in last year’s budget, it took them months to make a decision about whether or not they were going to support it. They have been dragged kicking and screaming from their 1950s central planning economic theory into the modern economic age that has delivered prosperity and success for so many Australians.

Listening to the previous speeches, I was surprised how far senators opposite have had to be dragged into the future. They are still backslapping about the victories of yesterday. Their speeches were not about how good this policy is and how positive it is for Australians going forward; they were all about how Labor introduced superannuation. We have acknowledged that, but they are still backslapping and crowing about these things. As much as they crow and congratulate each other, we need to be reminded of the real achievements of Labor when they were in office. The facts are that unemployment averaged 8.5 per cent under the Labor Party, youth unemployment peaked at 34 per cent in this country, mortgage interest rates were nearly 17 per cent, and the average interest rate was 12.75 per cent throughout Labor’s period of administration. Industrial disputation under a Labor government averaged 193 working days per 1,000 employees.

Contrast that with the performance of this government. Unemployment is at 4.8 per cent, the lowest level in 30 years. Productivity is higher. Interest rates have averaged 7.15 per cent. Industrial disputes, I read the other day, are at the lowest level they have ever been. Real wages growth has peaked in excess of 16 per cent. Yet, despite the evidence that the coalition’s economic policies have delivered the best economic environment this country has had in 60 years, the Labor Party are still slapping each other on the back for the only sensible decision they made more than a decade ago. The Labor Party are living in the past. They are yesterday’s party. They have no vision for the future of this country save for a resurrected union movement seeking to take control of the freedom this government has given the workers.

This government, on the other hand, does have a vision for the future of Australia. With so many achievements on behalf of the good citizens, we could probably be excused for resting on our laurels. As comfortable as that might be, we are not prepared to do it. We are still producing policies and legislation that will deliver jobs, prosperity and continuing hope for all Australians. The Labor Party have had 11 years to come up with a coherent policy on anything, and we are still waiting. Instead, they decide to promote the architect of their Medicare Gold package to the leadership. I wonder if that policy gem is going to resurrect itself at the next election.

It is with confidence that on behalf of the people of Australia I speak in support of this bill. As a former financial adviser, I know about the complexities previously associated with superannuation. Making savings for retirement simpler and more tax efficient is a huge step towards the future prosperity of this country. Removing age based concessional contribution limits and installing an annual cap of $50,000 will make it easier for Australians to plan for their retirement.

Of course, any changes introduced in this environment, however positive over the long term, do have an immediate impact on a minority of Australians. This government has recognised the impact this has on those people who are planning for their retirement in the more immediate future. In an attempt to
alleviate this, we have introduced a five-year transitional cap. This cap will help those people aged 50 or more to make a $100,000 annual contribution to superannuation for five years, covering financial years 2007-08 through to 2011-12. There are also opportunities for people to contribute a further $150,000 per annum in non-concessional contributions with transitional arrangements applied to offset any inconvenience or disadvantage to those already approaching retirement age. I have had first-hand input, as Senator Chapman alluded to in his speech, in meeting people and effecting change so that people who have gone down an extensive path of preparing for their retirement are not disadvantaged. I am pleased to say that this has been very well received.

These provisions alone are enough to warrant support of this bill; but, as the ads say, wait, there’s more! This bill provides greater incentives to invest in superannuation by simplifying the arrangements for the taxation of benefits. Most significant amongst these is the removal of tax on superannuation benefits paid to people aged 60 and over when paid from what is declared a taxed superannuation fund. This initiative has a positive and direct impact on around 90 per cent of Australian employees—further proof that this government is the best friend the workers of Australia have ever had.

This also provides an incentive for people to remain in the workforce, which helps our economy in a number of ways. Principal amongst them is that we are going to be retaining a lot of skills and experience to build a stronger and more prosperous Australia going forward. Part of a stronger and more prosperous Australia is of course a strong economy. To maintain a strong economy and to ensure that people cannot rort the system, we need to ensure there is accountability and efficient administration. This bill does exactly that, because it requires the provision of a tax file number before a person can contribute to a superannuation fund. This protects the integrity of the generous taxation concessions contained within the bill.

Not only is this government the best friend that the workers of Australia have ever had; it is also a very good friend of the self-employed. The self-employed—those entrepreneurs and free spirits who have clearly rejected the tired old Labor dogma—can now claim a full tax deduction for superannuation contributions, within the predetermined limits, until the age of 75. If ever there was a positive step forward to enable people to become self-reliant, to pursue their own business and to provide employment for others in this country to ensure sustained economic growth then this is a policy that will do exactly that. I commend this bill to the Senate. It defines a very clear path. It defines a path of future prosperity, a path that will build a stronger Australia, a stronger economy and an economy that only a coalition government is fit and equipped to manage.

Senator BARNETT (Tasmania) (6.01 pm)—It is a great honour and a privilege to support the remarks of my colleagues Senators Bernardi and Chapman, who have spoken in support of the Tax Laws Amendment (Simplified Superannuation) Bill 2006 before the Senate. In essence, the bill contains the most significant reforms to the taxation of superannuation in Australia’s history. That is the short of it and the long of it. It will remove the complexity that is currently in the system. It will sweep away the current raft of complex tax arrangements that apply to superannuation. It will support a number of the government’s key principles and messages. It will improve the incentives to save—and this government believes that is important. It will increase retirement incomes. We have an ageing population in this country, in every state and territory. Increased retirement incomes can only be good
for those over 65. Nearly 13 per cent of the population is in that category and that percentage is growing by the day. The principles of improving incentives to save and increasing retirement incomes will be of tremendous benefit for that category of Australians.

This legislation will also strengthen incentives for older Australians to actually stay in the workforce, and I think that is a very good thing, particularly in light of the ageing population and the scarcity of workers for the jobs that need to be done in the years and decades ahead. It is a substantial investment by this government in the standard of living of Australians in retirement and, indeed, in the country’s future economic prosperity.

The legislation supports the thrust of good economic management, which has been the key hallmark of the Howard and Costello government over the last 10 years. We now have record low unemployment. We have record low interest rates. We have an increased number of jobs over the last 10 years, specifically since the tough decision to bring on the Work Choices reforms in March last year. Over 240,000 new jobs have been created in Australia. Not only has there been an increased number of jobs; there has been an increase in real wages of over 16 per cent, including in my home state of Tasmania. That is a tremendous result, particularly when you compare that to the 13-odd years of Labor government when there was actually a decrease of 1.2 per cent in real wages. How sad for the working men and women of Australia to have been subjected to that type of mismanagement of the economy.

Under the John Howard and Peter Costello government this is what has happened: there has been a real increase in wages, there has been an increased number of jobs, specifically since Work Choices, and there has been the lowest unemployment recorded for 30-odd years. This is part of the tapestry of good economic management that has been undertaken by the Howard government and will continue to be undertaken as we pursue this policy of continual improvement at every level. In terms of the taxation of superannuation, yes, this is a first in our history. I commend these bills to the Senate.

The Simplified Superannuation reforms are a broad-ranging suite of reforms to superannuation taxation, the age pension assets test, superannuation contribution rules and superannuation payment rules. The centre-piece of the reforms is making superannuation benefits tax free, if paid from a taxed fund, to Australians aged 60 or over. I want to outline some of the other key aspects of the reforms. There will be significantly lower tax paid on superannuation from an untaxed fund for people aged 60 and over. Age based limits will be replaced with streamlined contribution rules. Contribution incentives will be improved for the self-employed—and this is a very important category of the Australian community. Obviously, these are the small-business and microbusiness operators. The self-employed is a very large category of operators across this country. Livelihoods are on the line for the self-employed. They probably have mortgages on their homes and they have to make ends meet everyday. I commend the self-employed and thank them for their courageous approach to dealing with everyday life and looking after their families and their children.

To improve the contribution incentives for those people, we will be extending to the self-employed the government’s highly successful co-contribution scheme. Also, the reforms will halve the assets test taper rate and rewrite the superannuation taxation law to present a clearer picture of superannuation taxation and reduce the compliance costs and regulatory burden faced by business and other taxpayers. I am talking about small businesses in particular. Yes, it is important
for large and medium-sized businesses, but we have 1.2 million small businesses in this country and about 600,000 of them are family based businesses. Wherever possible, we should use every ounce of our energy and every fibre of our bodies to reduce the red tape, the paperwork burden and the complexity so that those people can get on and do what they do best—that is, run their businesses. This is why I am so disappointed with Labor’s response to the government’s initiatives that are before us.

Senator Sherry—We’re actually supporting them.

Senator Barnett—I acknowledge that you are supporting the bill that is before us—

Senator Sherry—All 11 of them.

Senator Barnett—Yes—but your responses over the years to a range of tough government reforms—including the Work Choices reforms, which I referred to earlier in my speech—have been very disappointing. I acknowledge the work of the Senate Standing Committee on Economics and its report of February 2007, and I acknowledge the chair of that committee, Senator Brandis, who is now a minister. I notice that the deputy chair of that committee, Senator Ursula Stephens, has signed off on the report, and I commend her and her Senate colleagues on the report. I notice that the introduction of the report says:

The proposals, which are due to take effect from 1 July 2007, represent the most significant reform to the superannuation system in decades. They will potentially affect over 10 million individuals, 1.3 million employers and more than 310,000 superannuation funds. The cost of the reforms, including additional costs associated with the transitional and administrative arrangements announced by the government in September 2006, is estimated at $7.2 billion over four years, which is less than one per cent of Commonwealth government revenue.

That indicates the extent and breadth of the reforms that the Senate is considering today.

In conclusion, I acknowledge and thank the Treasurer, Peter Costello, and the Minister for Revenue, Peter Dutton, for their leadership on this matter. They have put a great deal of time and effort into pulling all of this together. This emanated from some of the budget announcements last year. Those initiatives have been followed through and they have been very successful indeed. I acknowledge that and thank the Treasurer and the Minister for Revenue for their contribution to the good of Australia and the working men and women of Australia, who will benefit under this particular policy.

Senator Stephens (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (6.11 pm)—I rise to speak on the suite of bills that includes the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and related bills. I begin by acknowledging the work of the Senate Economics Committee and the secretariat in dealing with this group of complicated bills. Given the challenges that were presented to the committee, that was done in a very professional way. It was only possible to schedule one hearing and, on the day of that hearing, the chair of the committee was sworn in as a minister. I would not say that we were a rudderless ship, but it was certainly a challenging experience to chair the inquiry and manage the evidence provided by the witnesses and the evidence that was not provided by the witnesses—and I will come back to that point in a moment.

I have listened with interest to the contributions made to this debate by government members of the Senate. I chuckled to myself as I heard some of the remarks that have been made. It was an obvious strategy to add extra speakers on the bill today. It was about trying to revisit and recast the history of the
superannuation industry and how it has come to be such a thriving industry today. We know that it was because of the foresight of the Keating government and the superannuation regime that was put in place in the eighties that we now have such a thriving superannuation and financial services industry—and over $1 trillion of national savings—which is the envy of the world. Many countries have tried, without much success, to emulate what we have in Australia.

I would briefly like to go to the issues that were raised in the committee’s inquiry. One of the most frustrating things that we found in questioning Treasury and ATO officials about the superannuation bills was the lack of detail and the lack of information that was available to the committee prior to the hearing and during the hearing itself. We asked lots of questions about examples. We believe that the explanatory memorandum and the information provided to the committee would have been much stronger if we had had some case studies and vignettes to describe for us the implications of the changes. It would certainly have helped to illuminate some of the difficulties that we experienced in understanding some of the submissions that were presented to us. That lack of detail, which has come to be a bit of a hallmark of the material that the Economics Committee has had to consider over the last 12 months or so, is starting to be a very frustrating issue for us to deal with. Information was not forthcoming during the hearing. Even this week we have had the same experience in another hearing at which information that would have made an important contribution to the committee’s considerations was not made available.

We did hear some very important evidence, which was touched upon by Senator Webber earlier today and by Senator Bartlett, from the retired Defence Force personnel on the circumstances around their superannuation pension arrangements. I can only concur with Senator Webber that this is a group of people that need special consideration. The personal circumstances that were described to us by the witnesses of almost abject poverty in which some people are living because of the way in which their retirement benefits have been structured was something that I found very moving and quite distressing. Great courage was demonstrated by the witnesses, who came and explained the circumstances in which they were living and the way in which they felt that their whole contribution to and service in the Defence Force was so devalued by Australians, by the government and by us. It was an appeal across the board to us to recognise the significance of that and the fact that they should have some kind of indexation of their pensions. It is an issue that we raised in the report and it is an issue that I intend to pursue both because those who represented their circumstances to us in the committee have given service in the past and also because it is very likely that we are going to be dealing with this issue again before too long in the future. It is something we will have to come back to.

The second issue that was raised with us by a very vibrant financial services industry was the impact on financial planners and the retirement industry. It is perhaps an unintended consequence that, when you are trying to reduce red tape, you might actually shrink an industry quite dramatically. But I still think at the end of the day anyone over 50 who is trying to work out their superannuation does need the services of a financial planner. Retirement advice is very complex and this is going to have a significant impact for them.

If I can just reflect on this suite of bills and what the real impact is going to be, first of all, from 1 July, as we have heard, the superannuation benefits paid from a taxed fund, either as a lump sum or as an income
stream such as a pension, will be tax free for people aged 60 and over. The benefits paid from an untaxed scheme, which affects public servants, will still be taxed although at a lower rate than they are now for people who are aged 60 or over.

An interesting part of the discussion during the committee inquiry was the impact of the abolition of the reasonable benefits limits. I can understand now why that is such an important feature of the bills. Individuals will have greater flexibility as to how and when to draw down their superannuation in retirement, and superannuation funds will no longer be forced to pay benefits. The issue of the concessional tax treatment of superannuation contributions and earnings was also raised with us. Replacing the age based restrictions that limited tax deductible superannuation contributions by a more streamlined set of rules also seemed to be a very valuable change.

Senator Barnett talked about the self-employed and how they are going to be able to claim a full deduction for their superannuation contribution as well as being eligible for the government co-contribution for their after-tax contributions. The tax exemption for invalidity payments will also be extended to the self-employed. I think that is a very important leveller in this process.

Also important, given that we have a much healthier ageing workforce, is that the ability to make deductible superannuation contributions is being extended to age 75. The introduction of the compulsory tax file number will now make it much easier for people to find and transfer their superannuation between funds. We received evidence at the committee inquiry about concerns that people had about tax file numbers and how that would all pan out. But in the end I can see that there is a lot of logic to that process. It certainly will help to recover some of the unclaimed millions of dollars of superannuation that currently exists.

To increase further the incentives to save for retirement—also a very important issue—from 20 September this year the pensions asset test taper rate will be halved to $1.50 per fortnight for every $1,000 of assets above the asset test free area. It is helpful to know that the superannuation preservation age will not change. The preservation age is already legislated to increase from 55 to 60 between the years 2015 and 2025. People will still be able to access their superannuation benefits before the age of 60, although they will be taxed on their benefits under the new simplified rules.

We are all in furious agreement that the best way to save for retirement is through superannuation. For some people it will make even more sense to pay interest on their home loans while salary sacrificing into super. I was listening to a talkback program on ABC radio just the other day. Someone was giving advice that the sensible thing to do would be to borrow money and throw it into your super before 1 July this year, simply to get that benefit. So people are doing some interesting things, although I do not know that it is going to help too many people who are trying to achieve homeownership if they do what was suggested in that case.

Labor are supporting the bills, although from Senator Barnett’s comments you could perhaps think that we are not supporting them, and we have a second reading amendment that has been moved by Senator Sherry. The importance of the committee hearings—and the importance of this legislation—is to bring the superannuation regime into line with the taxation system, which enables a much simplified system that reduces red tape and allows ordinary folk to actually understand what is happening with their superannuation. I said before that the Keating gov-
ernment had a vision for well-funded retirement through comprehensive superannuation. We on this side acknowledge that superannuation is contributing to the economic health of our nation and that its impact is compounding just like the retirement balances of almost all employees. In fact, Labor’s superannuation guarantee has been one of the greatest equalisers in the distribution of wealth that the country has seen in a very long time, although I know that government members would choke if they were asked to acknowledge that fact. If Labor had not made superannuation comprehensive then at least half of the workforce today would have no superannuation. It would have remained the preserve of the public sector rather than having the national system that we now enjoy.

We recognise too the important role that Australia’s fund management industries now play in our economy. The committee received very strong evidence about that and the contribution for funds management that this simplification package will actually bring into play. They are high-value industries paying high salaries that are enmeshing Australia with the world’s leading economy and they help to underlie our prosperity. So while the package of changes will improve the retirement incomes of many Australians, there still are some proposals and some fundamental superannuation reform challenges. I was very interested to hear Senator Chapman raise some propositions for additional reform and change. We will pursue those.

We need to increase the retirement incomes and improve the living standards of everyone in retirement. We need to take some of the pressure of our ageing population off our future budgets. As the Australian population ages, we are now seeing a superannuation system that is starting to provide adequate incomes in retirement and is easing financial pressures so that we can continue to deliver budget surpluses and underpin our economic prosperity. You would have heard from Senator Sherry that this is the argument that Labor has about keeping the budget in surplus on average over the course of the economic cycle. In the long run, as Australia’s superannuation assets continue to grow, we are going to continue to export our capital—and we heard a lot of evidence about Australian superannuation funds investing both directly in overseas markets and through foreign debt and equity markets. In some ways it is a shame that we are seeing superannuation funds being invested offshore. I remember saying in my first speech in this place that one of the things that we could do is start to encourage the investment of superannuation funds in regional infrastructure, something that perhaps still has a way to go.

Superannuation funds, as we discovered through the committee process, today hold assets equivalent to 95 per cent of GDP. That is an extraordinary amount, a mind-boggling amount of money, something that we need to be able to draw on in terms of our economic management. As I said before, it was frustrating that the committee did not have detailed costings of the policies. We asked for an estimate of the numbers of people that would be affected by different parts of the bills but we did not actually get that. So what a surprise it was when an almost half a billion dollar costing was upgraded between when the Treasurer first announced this package and when we finally started to see some of the detail.

The primary change in the package is that from 1 July the superannuation benefits paid from a tax fund, either as a lump sum or as an income stream, will be tax free for people aged 60 and over. For those people that I talk to that is probably the most significant change. Individuals will have greater flexibility as to how and when they draw down...
their superannuation entitlements. The concessional tax treatment of superannuation contributions and earnings will remain, and the tax exemption for invalidity payments will be extended to the self-employed.

We were also keen to look at the costs and impacts of the package—$7.2 billion over the next four financial years. The beneficiaries of the tax-free treatment will be those Australians who have or will have $136,000 indexed or more in superannuation. For Australians with substantial retirement savings, this package will provide welcome additional retirement income.

The measures in the package which expand and rationalise incentives for small business, by applying the same rules and including them in voluntary co-contribution schemes, are also welcome. They will help people in that growing sector of our economy. It should be noted that the loss to revenue from the new tax treatment of co-contributions will amount to $4.2 billion of the estimated $7.2 billion cost of the package, which means that the government is putting just over $1 billion extra each year into superannuation. Combined with a further $1 billion each year from existing voluntary co-contributions, a total injection of some $2 billion extra a year into superannuation has been provided by the government. That incentive approach is likely to see ongoing, additional voluntary contributions of $2 billion to $3 billion a year, which is very important for setting up Australians with decent retirement incomes. But the new flows to superannuation are put starkly in the shade when they are compared with Labor’s original compulsory nine per cent superannuation guarantee, which delivers some $65 billion every year. Credit for that achievement goes back to the far-sighted Hawke and Keating governments, which introduced Australia’s superannuation system.

We have a very strong superannuation system in this country. We have some suggestions that have been raised by the committee and here in the chamber, certainly by Senator Sherry, who is our superannuation spokesperson and is certainly our expert in this area. He has foreshadowed his amendment and also the fact that there are some reforms that need to be put into place. One proposal that strongly took our attention was about tax deductibility for and indexation of the disability pension. It was raised with us by the defence services organisation, and we believe it still needs to be pursued. I thank everyone who participated in the inquiry. I appreciate it was a quite challenging thing to do.

Senator COONAN (New South Wales—Deputy Leader of the Government in the Senate) (6.30 pm)—On behalf of the government I thank all senators who contributed to the debate on the Tax Laws Amendment (Simplified Superannuation) Bill 2006 and related bills. This simplified superannuation package comprises a suite of reforms to superannuation taxation, the age pension assets test, superannuation contribution rules and superannuation payment rules. Collectively, I think it is fair to say that the reforms contained in this historic package will boost retirement incomes and greatly improve incentives to work and save. The changes will abolish the myriad complex rules that currently apply to superannuation benefits and give Australians greater flexibility as to how and when they draw down their super.

The centrepiece of the reforms, as has been noted, is to make superannuation benefits tax free for someone aged 60 or over if paid from a taxed superannuation fund. Lower rates of tax and simplified arrangements will also apply to benefits paid from untaxed funds to someone aged 60 or over. Improved incentives to contribute to super will be achieved by abolishing age based
deduction limits and replacing these with streamlined contribution rules. Contribution incentives for the self-employed will be strengthened by allowing them full deductions for contributions and by providing access to the highly successful government co-contribution scheme. Overall, simplification of the superannuation system will encourage people to take a much greater interest in their superannuation and give them the confidence to make additional savings. The earlier people contribute, the greater the benefits they will receive.

Further improvements in incentives to save will be achieved by halving the pension assets test taper rate to $1.50 per fortnight for every $1,000 of assets above the assets test free area. This change will boost the retirement incomes of assets tested pensioners and increase the number of people who are eligible for a part pension and the associated concessions. The government is also enhancing the arrangements in respect of lost and unclaimed superannuation. Significant increases in resources for the ATO will be provided to reduce the amount held in lost superannuation accounts. The government will now be taking full responsibility for the management of unclaimed superannuation, which will provide a single access point for individuals searching for lost or unclaimed superannuation and a simpler, nationalised claims process going forward. It is, as I said, a historic, far-reaching and comprehensive package.

I will very briefly address and put on record the government’s responses to some specific issues raised during the debate. Firstly, I will turn to the release of long-term costs. These reforms are fiscally sustainable. The government has released costings in its press releases and in the Mid-Year Economic and Fiscal Outlook. The next intergenerational report, due later this year, will provide a long-term assessment of Australia’s fiscal position, taking into account the reform package. The cost of the reforms over the remaining years of the forward estimates represents around 0.5 per cent of government revenue. Even allowing for significant growth in the future, the cost of the reforms will remain a small component of government revenue.

The second issue is the higher threshold at which tax file numbers will need to be provided. Concerns have also been raised about the quotation of tax file numbers. Without tax file numbers there would be scope for significant abuse of the superannuation caps and for people to access superannuation concessions without limit. A high level of TFN quotation is crucial to the integrity of the new simplified super system. The $1,000 threshold seeks to strike a balance between the need to protect people who have very small contributions and, on the other hand, the need to protect the integrity of the new system by ensuring people cannot easily spread contributions across a number of funds in order to avoid tax liabilities and contribution caps. Greater TFN quotation will also assist in reducing the number of lost superannuation accounts, which will be of particular importance to low- and middle-income earners. The liability resulting from a person’s failure to quote a TFN is entirely avoidable and the government strongly encourages all individuals to provide their TFNs to their superannuation fund. In the lead-up to 1 July 2007, the government will be putting in place significant measures to encourage individuals to quote their TFN, including an extensive marketing and education campaign by the ATO. To further maximise TFN quotation, the Australian Taxation Office will use its own systems to match a tax file number to a member where nonquotation has occurred and contact the member to organise for the TFN to be quoted to the fund.
The third issue I want to address is low superannuation balances. Questions have been asked about the benefits of the reforms for those with low balances. The complexity of the current superannuation system impacts on all retirees regardless of how much money they have accumulated in superannuation. Removing the superannuation benefits tax simplifies the superannuation system for the overwhelming majority of the 10 million Australians who have superannuation accounts. It should lead people to take a greater interest in their superannuation savings and reduce the need for them to seek expensive financial advice.

The report of the task force on reducing regulatory burdens on business, *Rethinking regulation*, notes that:

While much of the complexity in the superannuation system was introduced to achieve equity objectives, complexity itself contributes to inequity—particularly for unsophisticated taxpayers and those who may not be able to afford financial advice.

A major initiative of the government’s reforms then is the halving of the assets test taper rate. Currently, a person with only modest superannuation savings or assets may be affected by the age pension assets test. As the superannuation system continues to mature, the full benefits of the reforms will be realised. For example, an average worker earning $1,000 per week and receiving only employer contributions will, after 40 years, increase their after-tax retirement income by 17 per cent.

The fourth issue is untaxed schemes. I know that has been the subject of contributions made in the debate. In respect of arrangements for untaxed schemes, Simplified Superannuation does achieve broad equity for the overwhelming majority of members of untaxed superannuation schemes. Members of untaxed schemes who are currently paying tax on the benefits will pay less tax as a result of the reforms. Retirees aged 60 and above receiving pensions from these schemes will now receive a 10 per cent tax offset, and the tax rate that applies to lump sum benefits paid from these schemes will be halved to 15 per cent for amounts up to $1 million.

Australian Defence Force personnel, as members of untaxed schemes, will also receive access to these tax reductions. The government recognises the important role that the ADF plays in serving and protecting the community and the country. Compensation provided to the ADF for their service extends beyond superannuation to include, for example, tax exemptions and offsets for certain overseas service and incapacity payments in the event of serious injury or illness. I note that the government has today announced an independent review of military superannuation arrangements to ensure that superannuation benefits are being provided in the most effective and sustainable manner for ADF members and their families.

In conclusion, these bills implement the most significant reforms to the taxation of superannuation in our country’s history. They will sweep away the current raft of complex tax arrangements that apply to superannuation, improve incentives to save, increase retirement incomes and strengthen incentives for older Australians to stay in the workforce. As a package they represent a substantial investment by the government in the standard of living of Australians in retirement and the country’s future economic prosperity. I commend these bills to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Senator Sherry, on behalf of the Labor Party, moved a second reading amendment. The question is that that second reading amendment be agreed to.

Question negatived.
Senator MURRAY (Western Australia) (6.40 pm)—I had foreshadowed my own second reading amendment and wish to move that in a moment. Before sitting down, I just want to advise the chamber that I had an amendment for the committee stage. I propose to withdraw that amendment. I understand that, as that was the only amendment for the committee stage, there will therefore be no committee stage. I move my second reading amendment:

At the end of the motion, add “whilst the Senate acknowledges the Australian Democrats’ view that the ‘Simple Super’ package of 11 bills makes a genuine and systematic effort to simplify superannuation rules and taxation, and to encourage older Australians to work and save more, the Senate accepts the Australian Democrats’ view that the bills are inadequate because they only address part of a much larger problem—problems remaining in the superannuation system and the broader income taxation system include the need to significantly improve the disposable income of low-income Australians both in work and retirement, to address the markedly lower super funds accumulated by women overall, and the continuation of super discrimination against same sex couples”.

Question negatived.

Original question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA’S SKILLS NEEDS) AMENDMENT BILL (No. 2) 2006

Second Reading

Debate resumed from 26 February, on motion by Senator Scullion:

That this bill be now read a second time.

upon which Senator Carr had moved by way of amendment:

At the end of the motion add “but the Senate considers that the present Government has been complacent and neglectful about the Australian economy by:

(a) presiding over a skills crisis through its continued failure over more than 10 long years in office to ensure Australians get the training they need to get a skilled job and meet the skills needs of the economy;

(b) failing to:

(i) make the necessary investments in our schools and technical and further education systems to create opportunities for young Australians to access high quality vocational education and training, including at schools; and

(ii) increase the number of school-based traditional apprentices and provide funding support for schools in taking up the places;

(c) creating expensive, inefficient, stand-alone colleges, without cooperation with the states within the existing vocational education and training framework;

(d) riding roughshod over the states and territories in establishing these colleges, despite the role the states and territories play in vocational education and training;

(e) making Australian industry wait until 2010 for the Australian technical colleges to produce their first qualified tradesperson;

(f) failing to provide support to other regions that have skill shortages, but are not listed for a technical college”.

Senator FIFIELD (Victoria) (6.43 pm)—I rise to speak on the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006. This amendment is necessary given the overwhelming success of the program, with 20 of the 25 colleges signing funding agreements with the Australian government. Twenty-one colleges are scheduled to operate in 2007, servicing the needs of 2,000 stu-
dents and beginning to tackle areas of skill shortages in our economy. The Australian government is increasing its commitment by $112.6 million to $456.3 million to ensure that industry will have access to a supply of highly qualified workers. In fact, by 2009 these colleges will be home to 7,500 students. Some of the colleges will operate for multiple campuses. The scale of what is being achieved is beyond what was originally envisaged.

This package is another example of the government stepping up where the Labor states have failed. We should never forget that it was a succession of state Labor governments around Australia that abolished tech schools in the 1980s. The view then was that everyone should go to year 12 and university. The result was a bland, undifferentiated, one-size-fits-all education. Labor failed to recognise that a technical education, whether in plumbing, carpentry or any other trade, was and remains an important option for many students.

In my home state of Victoria, the Cain Labor government phased out tech schools in the 1980s, depriving many children of opportunities to pursue a technical trade. The then education minister, Joan Kirner, has since argued: ‘We didn't end technical colleges; we broadened the curriculum to give young people a greater choice.’ It is funny how you broaden choice by limiting it! The president of the Victorian branch of the Australian Education Union, Mary Bluett, parrots this view, arguing that the answer is to broaden students’ experiences in secondary schools.

The federal government wants to return to a situation where a high-quality technical education is as prized as a good uni degree. This country made an enormous mistake when it abandoned the development of technical skills in colleges. The ability to study a trade and to complete a year 12 qualification concurrently is something that has been welcomed by students across Australia. I would have thought that broadening the range of options for a student was in their interests. How you broaden a student’s educational opportunities by closing down one particular option for education is beyond me.

Last night in this chamber we had the amazing spectacle of Senator Carr trying to mount an attack on the Australian technical colleges. What was Senator Carr’s knockout punch? What was his killer line? What was Senator Carr’s absolutely devastating line? His killer line was that the government did not consult with the states on the establishment of technical colleges. Senator Carr was arguing that it was our job to consult about the establishment of technical colleges with the governments that actually closed the tech schools—that is was our job to discuss with the states, which had totally abrogated their responsibilities in this area, how we were going to do their job for them. It is a perverse sort of logic. The truth is that successive Labor state and federal governments turned their backs on technical and further education. They sent young people the message that if you did not complete year 12 and you did not complete university then you were a failure. They stigmatised the traditional trades systematically and deliberately. We say that that is wrong. We want to turn that back. We want to reinstate the pride in a good technical education.

The establishment of these technical colleges has been a remarkable success, and I pay tribute to the former minister, the member for Moreton, and the new minister, the member for Goldstein. These colleges are being delivered ahead of schedule. Again, we see Labor walking both sides of the street on this issue. On one hand we have the member for Melbourne saying in a speech to the Sydney Institute on 21 November 2006, and he is right:
... we’ve managed to alienate countless young people from learning through an excessive focus on university entrance in schools.

The member for Melbourne, Mr Tanner, is basically saying what we have been saying—that this country has placed far too much emphasis on university degrees as the only worthy pathway for further education. That is why the government has established these technical colleges—to show students who are inclined towards a trade that their choice will be supported and valued, and to herald an end to the days when a trade qualification was seen as second class.

Even the former Victorian minister for education, Lynne Kosky, has admitted that tech colleges were an important element in Australia’s education system. She admitted on 10 August last year:

It’s probably true to say that we lost something when technical schools were closed previously ... We lost something that was important for young people.

Another Labor frontbencher has a different view. In an interview on Adelaide’s 5AA radio station on 4 January 2007, the member for Rankin, Dr Emerson, played down the importance of the trades. This is what he had to say: ‘I think we can easily overstate the importance of trades.’ What an extraordinary statement. On one hand we have Mr Tanner and Ms Kosky talking up the government’s approach of improving opportunities for trade qualifications, but on the other hand we have Dr Emerson saying that the importance of trades is overstated.

But what does Dr Emerson really think? If he thinks that the importance of trades is overstated, does he think Australian technical colleges are not needed? He was asked this question in the same interview and responded: ‘Of course we need technical education, vocational education and training.’ The truth is that Dr Emerson is echoing the sentiments of most of his colleagues. They have no plan for vocational and further education. Whilst they mouth rhetoric, the government is getting on with the job of addressing the skills shortage evident in our economy.

Labor do not like these tech colleges one little bit. This is typical of Labor’s approach. They say they want to support the trades; it is just that they oppose every single measure designed to support the trades. They say they support surplus budgets; it is just that they run deficits. They oppose every single measure designed to put the budget back into balance.

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! It being 6.50 pm, the Senate will now move to consideration of government documents.

Commonwealth Grants Commission

Senator IAN MACDONALD (Queensland) (6.51 pm)—I move:

That the Senate take note of the document.

The Report on state revenue sharing relativities: 2007 update was tabled today. It is a very interesting document that I commend to all senators to have a look at. The commission is required to base the recommendations on relativities on the five years from 2001-02 to 2005-06. Over those years, relative fiscal circumstances of the states have changed quite substantially.

This year Western Australia joins New South Wales, the state with the strongest fiscal capacity, and Victoria in warranting less than an average per capita amount from the pool of GST revenue and healthcare grants for 2007-08. Queensland, my own home state, will also need less than in the past, requiring only slightly more than average. Compared to last year a smaller part of the pool is needed to equalise the fiscal capaci-
ties of these states. Perhaps I should have started with this—the Commonwealth pays money to the states under financial assistance grants and GST grants and this report looks at the relativities on which the Commonwealth Grants Commission actually divides up the total Commonwealth moneys between all of the states.

Over the five years, the commission’s calculations have tracked a larger change in relative fiscal capacities of the states than that observed in last year’s update. Those changes were due to changes in state revenues, and most notable of these has been the unprecedented strengthening of the fiscal capacity of Western Australia and, to a lesser extent, my home state of Queensland. It is interesting to read from this report that the features of this particular update include the conveyancing revenue base of Western Australia, which grew rapidly in 2005-06, greatly increasing its relative fiscal capacity in that year.

In my home state of Queensland, coal royalties increased markedly in 2005-06, strengthening Queensland’s revenue capacity. This was supplemented by an ongoing strong conveyancing base in Queensland. However, changing social and demographic conditions moderate that revenue effect by increasing the cost of delivering the average level of services in those states. If you get above one in the relativities in the tables in this report, that means that you are a contributor state. If you are below one, you get a greater share of the average payments. Relativities use the average of all states as the benchmark. States with relativities above one, as I have mentioned, require more than the Australian average per capita amount from the pool to deliver services at average levels. Those below one require less than the Australian average per capita amount.

All states but New South Wales, Victoria and Western Australia will receive more than the Australian average per capita amount in 2007-08. The commission observed that rapid growth in Queensland and Western Australia’s revenue raising capacities had increased their relative fiscal capacities. This is a very interesting book. It does warrant very close attention by all senators. I want to mention that, on several pages throughout this report, reference is made to the coal revenues from Queensland. Because coal is such a substantial part of the revenue of Queensland, it is quite amazing to me that the Labor Party are trying to knock off the coal industry. Certainly, the Greens want to get rid of it completely, which would be disastrous for my state of Queensland. The Labor Party are messing around with all sorts of strange ideas when it comes to the coal industry. They are now looking at clean coal techniques and suggesting that moneys should be paid, just catching up on what the coalition government has already been promising. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Australian Meat and Livestock Industry

Senator IAN MACDONALD (Queensland) (6.56 pm)—I move:

That the Senate take note of the document.

This report by the Department of Agriculture, Fisheries and Forestry entitled *Livestock mortality for exports by sea—report for the period 1 July to 31 December 2006* is part of the federal government’s ongoing determination to ensure that live animals exported from Australia are exported in a way that is humane and that as many as possible reach their destinations alive. That is of course very important not only from the animal welfare point of view but also from the Australian industry’s point of view in that we are well regarded as a superior exporter
of live animals. This means real revenue to Australia and it very substantially involves a contribution to the economies of many country towns around Australia, particularly in my home state of Queensland.

It is interesting to recall the days, a few years ago, when there was great concern about the number of cattle and sheep that died en route. The government put in place a number of measures. It was all very big news in those days. Because it has been working so well, it has gone out of the headlines, but I think it is appropriate that we look at the results of the government’s very intense concentration on the welfare of live animals being exported overseas. In the period from April 2006 to November 2006 inclusive, there was evidence to suggest that the Australian government’s new measures to reduce livestock mortalities during export by sea were working very effectively and very efficiently.

To give you some idea: in relation to 129 voyages from Australian ports in those months, some 363,084 cattle were loaded and the number that died en route was 739, or 0.2 per cent, which is a very small figure when compared to live exports in previous years. Of sheep exported live, some 2,009,872 were exported and some 20,000 were lost and that is a figure of 1.02 per cent—still too many, we would say, but certainly considerably down on the fatalities of previous years. Of these voyages, the average sailing time was just over 12 days, with many voyages taking just a week or even less.

As one of Australia’s northernmost located senators, I am pleased to report that, for the majority of live exports during those months that I mentioned, the loading ports were in northern Australia. I am delighted to see that Karumba, Mourilyan and Townsville in my state of Queensland were loading ports, as were Broome, Port Hedland and Wyndham in Western Australia and Darwin in the Northern Territory. These very important shipments continue to serve an extremely lucrative overseas market, and it is worth noting that the use of northern ports is very good for regional economies and jobs in the north, and for Australia in general. It is well recognised that a lot of the wealth of Australia comes from the northern part of our country. I often, with some pride, say that whilst northern Australia—which I class as north of the Tropic of Capricorn—has only about six or seven per cent of Australia’s population, it produces something like 30 per cent of Australia’s export earnings. These cattle exports are certainly a significant part of the economy of northern Australia.

Under the Howard government we are working harder than ever to ensure that livestock losses at sea are kept to a minimum. We are also ensuring that Australia’s economic prosperity, in particular that of our regions in the north, is not jeopardised by the complaints which follow losses of live animals. (Time expired)

Senator BARTLETT (Queensland) (7.01 pm)—I rise to speak on the same topic, the live export trade. In his contribution, Senator Ian Macdonald spoke about public concern over live trade in animals as though it were in the past. I can certainly assure him that it is very much a current concern with many thousands of Australians. Indeed, if you look at the petitions tabled in the Senate—and, sadly, not enough senators do look at the petitions tabled here—by far and away the largest number of cumulative signatures over the last few years express concern about the live export trade. I think it is up around 130,000 signatures.

This concern is not new. Back in the days when the Senate used to give consideration
to animal welfare issues and not treat them as fringe matters, the Senate Select Committee on Animal Welfare clearly demonstrated problems with the live export trade at that time. Indeed, it came to a finding that, if we were to take account solely of animal welfare issues, the trade should stop—recognising that economic issues trumped animal cruelty at that time.

Certainly, there have been a number of improvements and changes since the 1980s. I accept that, and the fact that we have a report like this one is some indication at least of a tiny degree of transparency. It is still quite a small degree of transparency and it does reveal significant deaths on board. Senator Macdonald gave the total figures from all the shipments, but there are specific incidents in here. For example, there was a shipment out of Portland and Fremantle in October last year, through Livestock Shipping Services Pty Ltd. It was a 30-day voyage that went through the ports of Eilat, Aqaba and Adabiya, which are in Israel, Jordan and Egypt. The percentage of cattle deaths on that voyage was 3.18 per cent, well over the benchmark for death rates. Indeed, the percentage rate of sheep deaths on that ship was 1.19 per cent—72,000 sheep were crammed onto that one single vessel.

I am not sure whether people have seen some of these vessels at the various departure points, but there are quite a number listed here that have total sheep numbers over 70,000. There is one that had 99,607 animals and a death rate of almost one per cent. Indeed, one vessel made a voyage of 34 days to four different ports—Bahrain, Kuwait, Jebel Ali, which is in Dubai, and another port—with 108,000 sheep crammed on board. Anyone who suggests that there are no animal welfare issues involved in that is kidding themselves.

We have seen screened just recently on the Today Tonight program the follow-up to evidence that was screened last year. It is not just the suffering that occurs on these voyages but the cruelty that is inflicted on animals when they get to the other end. I mentioned a vessel that had a high death rate. One of the ports it went to was the port in Egypt. The footage that has been screened on television shows the way Australian livestock are treated when they are offloaded in Egypt and transported to markets or abattoirs, and the absolutely unspeakable cruelty involved in the way they are slaughtered. When this first came to light last year the minister and industry said, ‘It is a fraud; it is not true; they are not Australian animals; it is not happening.’ But they did suspend the trade. They had an inquiry and put in place an MOU that was supposedly going to fix all this. Minister McGauran said that it was all going to be fine now. People went in there again and got more footage of the very first Australian shipment and it showed that nothing had changed. That has been the problem—20 years of continuing incidence of cruelties, government investigations, promises, recommendations, supposed changes and then we get more evidence that nothing has changed.

There are alternatives to the live export trade. Economic studies show that it exports jobs. We have alternative trade. If the government put as much energy into promoting those alternative exports, the frozen meat trade could increase significantly. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Migration Act 1958

Senator BARTLETT (Queensland) (7.07 pm)—I move:

That the Senate take note of the document.
ship, under section 91Y of the Migration Act, and a related report on the conduct of Refugee Review Tribunal reviews are reports that first started to be generated as a result of the fairly modest improvements that were announced by the Howard government in the middle of the year before last, I think. There was a build-up of public pressure and pressure from some backbenchers in the Liberal Party pushing for improvements in the way that asylum seekers were dealt with, processed and assisted when they engaged with the Migration Act and particularly the immigration department.

We may recall grand talk of the great cultural change that was sweeping through the then Department of Immigration and Multicultural Affairs, now the Department of Immigration and Citizenship, and the very significant amounts of money that were pumped into that department as part of the culture change. As I said at the time, it was going to be pretty hard to get a significant culture change if you did not actually change the laws and the government policies that underpinned and informed that culture. That is clearly being shown to be the case. There are serious problems in really getting a major culture shift when the politicisation still gets driven through the immigration area and particularly the area of asylum seekers and refugee claimants, and it continues unabated.

It is a sad sign that in the last week or two we have seen pretty conclusive proof that all of that money and all the talk about culture change in the immigration department is just that—talk—and once again culture change is being thrown out the window not by workers in the department but by the government ministers themselves. We have gone straight back to the bad old days of 2001. That time was a key part of the genesis of the perverted and degraded culture that eventually got so bad that even the then minister, Senator Vanstone, had to accept and admit how bad it had become and she sought to try to repair it, at least on the surface.

This particular report goes to the processing time within the immigration department for protection visa claims. It is useful to have this data. It shows that there is a benchmark now that those claims are meant to be processed with a determination made, positive or negative, within 90 days. But one of the flaws, of course, is that, if it is not done within 90 days, nothing happens. It is a bit like the benchmark that is meant to be there for the period that people are in detention. There is a report triggered if people are there beyond a certain amount of time but there is no actual force of law behind that that requires anything to happen. It is all still discretionary. It is all still in the hands of the minister of the day and therefore it is all potentially able to fall victim to the politics of the day.

The other big problem—and we are seeing it very starkly with the current situation of the asylum seekers from Sri Lanka who have been put on Christmas Island for the time being—is that these reports and these legislative changes do not apply to people who are being processed offshore. That particularly applies to people who are sent to Nauru and to the people who are on Christmas Island at the moment. Even though they were picked up a week ago, we still do not know where they are going to end up, where the processing is going to be done or even if it is going to be done by Australian officials even though the asylum seekers are now on Australian soil on Christmas Island. This is the absurdity of the situation that still applies under our Migration Act. That is why the Democrats will continue to push for reform to the Migration Act. It is no good just saying that we are going to take a humane approach when there is no requirement under the law to ensure that that approach is taken and that those rights can be enforced at law.
To leave yourself at the mercy of the political currents and administrative foibles of the day is, frankly, not good enough. And we are seeing that again at the moment. It is nice to have the data reported, but having the data reported certainly does not tell the full story. In fact it only tells a very partial, incomplete and to some extent misleading story.

Debate (on motion by Senator Moore) adjourned.

**Treaty on the Protection of Migratory Birds**

Senator IAN MACDONALD (Queensland) (7.13 pm)—I move:

That the Senate take note of the document.

In moving this motion I want to again highlight the Howard government’s deep regard for conservation matters, particularly in relation to the welfare of migratory birds. The treaty between the Republic of Korea and Australia provides for the protection as far as is possible of certain migratory birds that travel from the very far north of the northern hemisphere right down to Australia. The annex to the treaty contains a list of the birds, some with exotic names, like the grey-tailed tattler, the red-necked stint, the sharp-tailed sandpiper and the lesser frigatebird, which I have actually seen and can recognise.

I also note one bird that is said to travel between Korea and Australia but that I think at this time last year was practically permanently in Australia, and that is a bird called the *Gallinago hardwickii* or—its common name—Latham’s snipe. I suggest that, as I say, that bird was very much in Australia at about this time in the last electoral cycle. I have looked through the list to see if the names of any of these birds could perhaps describe Mr Latham’s replacement, and I see a bird called the parasitic jaeger, and some may say that that is appropriate. There is another bird, the *Anus clepieta*, which is more commonly known as the shoveler, and one might think from some of Mr Rudd’s announcements in recent times, as he tries to pretend that he is already Prime Minister and making grants of money, that he is doing a fair bit of shovelling himself.

This particular treaty does prohibit the taking, in both Korea and Australia, of migratory birds and their eggs, except in certain circumstances—for scientific purposes or for protecting persons and property, and for some other reasons. I think too little notice is taken of the fact that the Australian government goes to a great deal of trouble to work with countries in our sphere of influence to help with the environment, to help with these species which, whilst we would think they are native in many cases to Australia, obviously do travel very great distances. And we do in many ways—for instance, by looking after wetlands and thus looking after the habitat of these birds—do a lot of work to ensure their longevity and that they will forever remain a species on this earth.

These treaties are put together, I assume, with a very substantial input from the Department of the Environment and Water Resources, but obviously the Department of Foreign Affairs and Trade are also very much involved in the compilation of these treaties. It is a small example, but I think a very important one, of the work Australia does in the environmental area that is not often recognised. And it is why I often claim that the Howard government is in fact the greenest government that this country has ever seen.

The contribution that the Howard government has made to our environment in so many ways surpasses anything that any other Australian government has done in the history of our nation. Speaking as a northerner, I can say that you only have to look at the great contribution we have made to the protection of the Great Barrier Reef to understand what a significant effort the Howard
government has made. Our Natural Heritage Trust— a world leader in ways of protecting our environment—is a program that other nations are copying. And of course Australia was the first country in the world to have an oceans policy. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered:


Migration Act 1958—Section 440A—Conduct of Refugee Review Tribunal (RRT) reviews not completed within 90 days—Report for the period 1 July to 31 October 2006. Motion to take note of document moved by Senator Moore. Debate adjourned till Thursday at general business, Senator Moore in continuation.


General business order of the day no. 10 relating to government documents was called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Mr Thomas William Leggett

Senator FIERRAVANTI-WELLS (New South Wales) (7.19 pm)—This evening I rise to pay tribute to the late Tom Leggett, who died suddenly a few weeks ago. I would like to acknowledge the presence in the gallery this evening of Tom’s widow, Doreen, and his son, Brendan.

It was my honour to speak at Tom’s funeral at All Saints Anglican Church in Parramatta on 29 January where many had gathered to remember and celebrate the life of a man whom so many held in the highest regard. Indeed, as a testimony to the respect in which Tom was held, I read a message on behalf of the Prime Minister, the Hon. John Howard MP, in which he paid tribute to the loyalty and contribution that Tom Leggett had given to the Liberal Party.

Thomas William Leggett was born on 31 December 1939 at Barnsley in New South Wales. Tom had a very interesting childhood growing up in the Newcastle area—an area dominated by Labor-union politics from the nearby steelworks and surrounding coalmines within the area. Having myself grown up in the industrial heartland of the Illawarra, I understand well the environment of past union domination of areas such as Newcastle and Wollongong.

Following his parents’ separation, Tom and his brother moved to Goulburn where they lived at the then Goulburn Boys Home, now Gill Memorial Hostel and nursing home. Tom regularly took part in the local Salvation Army band, marching down the main street of Goulburn every Sunday. It must account for his musical interest.

Tom started his working life at the age of 15, having the choice of becoming a mechanic or working for the Commonwealth Bank. Tom chose the Commonwealth Bank, where he worked for almost 40 years, giving dedicated service. During that time, Tom undertook various activities, including running a variety of branches and also moving into lending and repossessions.
Tom’s early life had not been easy. He learnt valuable lessons. He well understood the ethic of hard work, dedication and commitment. It was the very essence of the man.

Tom was called up in 1959 to undertake national service. He was sent to Wacol in Queensland and then served in the Citizen Military Forces, now the Reserve. Tom was a traditionalist who respected the institutions that are important to our country: our flag, our constitutional monarchy and our military traditions. It was pleasing to see Tom’s national service recognised at his funeral service through the participation of the Parramatta RSL Sub-Branch, of which he had been a member.

Tom also enjoyed travelling. During his younger years his travels included working on a kibbutz near the Golan Heights in the late 1960s. I understand he also was one of the first foreign tourists to travel on the Trans-Siberian Railway into the then Soviet Union.

It was during the early 1990s that Tom, through his work involving repossessions, saw firsthand the impact of the Keating years. Tom vividly understood the pressures and mess that Labor’s recession placed on Australian families and small businesses. He saw daily the impact that high interest rates of up to 17 per cent for homeowners and 22 per cent for businesses, coupled with record high unemployment, had on a cross-section of Australians. These daily experiences moved Tom’s support towards the Liberal Party. He always reminded people of the high interest rates Australians had to face under ‘the recession we had to have’. Brendan has told me that Tom also enjoyed helping our youth gain their first jobs. One of the things that ended Tom’s support for Labor was when Paul Keating said to a young Australian, ‘Go and get a job.’ The high youth unemployment at the time meant that there were few jobs for young people.

Tom joined and began his support for the Liberal Party during the 1996 election campaign. He continued his support until his passing. Indeed, Tom was a true Liberal stalwart. He was a dedicated Liberal who served the party with loyalty. His first commitment was to the Liberal Party. But it was in the seat of Parramatta that Tom made his greatest contribution. Elected as the Parramatta Federal Electorate Conference President in 1998, he faced the challenge of a redistribution which saw the federal seat of Parramatta become notionally 3.5 per cent to Labor. Tom took up the challenge. He knew that the Liberals could win. He was a great role model for his team. Tom related the story that on election night 2001 the first call made by the Prime Minister was to Ross Cameron. I am told that Tom was very proudly standing by when that call came in.

Prior to his death, Tom was getting ready for the next battle, the 2007 election. He and I spoke recently of this and of his confidence that the Liberals could win back the seat of Parramatta at the next election. Tom’s optimism was constant.

Tom was a good leader in the good times and in the bad times. At the last election, he and the Parramatta conference faced great challenges. Tom led his team under great difficulties and pressures. His commitment was always to do the best possible for the Liberal Party. His concern was not only his own area. He was always there to lend a hand to the surrounding hard luck state and federal Labor areas. Liberal candidates and supporters in these areas did it tough and were grateful for the support that Tom and his team were willing to give. With an office in Wollongong, I well understand the gruelling nature of political life in hard luck seats, but this is changing and people like Tom,
who are prepared to lend a hand, help foster that change.

Tom was always there when hard work needed to be done. He led his team by example. Tom, however, could not have done what he did without the support of Doreen and Brendan. The Leggets were always there as a family. Tom was a strong believer in family values. They were so very generous in so many ways. They opened up their home so often for Christmas functions and fundraising activities, and did so as a family.

I am sure that Tom’s memory will live on in future gatherings. Indeed, the Parramatta Federal Electorate Conference was the Leggets’ extended family, and many in the Liberal Party will remember fondly the great times that were had at the Leggett home.

Tom was a great talker. He always had a story to tell. He loved to have a chat. Having been a bank manager for so many years, he knew many people. He knew so many stories about many interesting people. It made for interesting listening.

Tom understood the diversity of Parramatta. He knew his area well. He understood its aspiration. When I first met Tom, he and I spoke of my family’s migrant history. Tom understood what many migrants to this country faced. He was able to relate to my family story. Through the bank, he had helped many migrants get a start for their families. He understood their aspiration and their commitment to Australian values and building a better life for themselves and their children. Tom embraced this diversity because he understood its underlying commitment. The diversity of the Parramatta conference is a testimony to this understanding.

He was especially proud of his son, Brendan. Tom would often tell us what Brendan had been up to: his success at university, his great work at SWR FM 99.9, a community radio broadcasting station in the Blacktown area, as well as his achievements in the party and in the Young Liberals. I would like to pay tribute to the courage that Doreen and Brendan have shown at the sudden loss of Tom—it was a shock to everyone who knew him. I pay particular tribute to his wife, Doreen, who faced the difficulties of actually being there. Doreen, your professional training as a nurse and experience in that field demonstrates your strength of character.

Tom enjoyed respect across the party. He gave respect and he received respect. He was well liked and will be missed by many. Tom was always active in community service, including community activities on the Parramatta Traffic Committee and serving on the Baulkham Hills Shire Council’s Orange Blossom Festival. He was always willing to lend a hand.

Tom, those of us in the Liberal Party who share your mainstream Liberal values will especially miss you. We will miss your warmth, understanding, willingness to help, dedication to the cause, guidance and great stories. I am sure I speak for many in the Liberal Party in paying tribute to a good man and a good Liberal. Tom, may you rest in peace.

Department of Defence: Financial Management

Senator MARK BISHOP (Western Australia) (7.30 pm)—As a member of the Joint Committee of Public Accounts and Audit, I want to address the progress in reconciling Defence accounts over the last two to four years. We all vividly recall the ANAO reports of the financial statements of various Australian government entities, particularly the Department of Defence. Those reports extensively comment on Defence’s failure to sign off on its annual accounts or, more accurately, the inability or unwillingness of the secretary of the department and the CDF to sign off on those annual accounts. By way of
background, in its 2005-06 report the ANAO found Defence was unable to reconcile almost $8 billion of accounts for that financial year. As we know, Defence has one of the largest budgets in the Commonwealth, and we also know it has a more recent history of financial mismanagement. Compounding that, the government’s general management of Defence has been quite appalling under successive ministers. On the procurement side, there has barely been a single project in the last seven to eight years which has not gone over time and over budget.

Let’s set the environment by recounting the list: the AWACs, now two years late; the FFG upgrade, at least three years late; Sea-sprite helicopters, first planned for delivery in 2001 and most likely to be cancelled, and almost $1.3 billion wasted; the M113 personnel carriers, first planned for 1998 and we still do not have one; the Tiger helicopters, two years late and strongly suggested to be not airworthy; and, finally, the Joint Strike Fighter aircraft, and at this stage we are told it is only a theoretical commitment.

Recently we have seen another chapter in the 10-year saga of stolen weapons from various Defence armouries, not to mention other theft for which, as usual, police investigations appear to have sunk into the sand. Indeed, $8 billion lost is a big mistake. It is to the credit of Defence and its recently retired secretary, Mr Smith, that the irreconcilable ledgers were identified and made public. The secretary then refused to sign off on the accounts. But there is more context and I am grateful for evidence given to the joint committee on 8 February last by Dr Mark Thomson of ASPI. Dr Thomson made several points which might explain the ongoing difficulties for Defence. He said that he tracked Defence’s problem to 2001-02 when:

There was a complete breakdown in financial management.

Then there was a requirement to provide accounts on an output basis and on an accrual basis. These he described as enormous hurdles. Also, it was considered that the audit goalposts kept moving. Reasons for failure might be accurate but they are still, in the scheme of things, blatantly unacceptable.

I do not accept the excuse that Defence is frequently distracted by operational demands and, by implication or excuse, cannot attend to these routine matters satisfactorily. Moreover, these problems are endemic and have existed for at least the decade of the current government. Essentially, the single issue at the heart of everything is poor record keeping. This has been exacerbated by lack of political management, poor attitudes, lack of skill and a lack of determination to identify and fix the problems, until more recent years.

It is salutary to note that since the identification of the $8 billion black hole by ANAO, remediation of the accounts has happened quite quickly, albeit with a long way to go. Nevertheless, these accounting matters should never have been allowed to get into such a poor condition. It simply invites theft and fraud—another fundamental disease. And 16 remediation plans have been drawn up to fix the $8 billion black hole. It is pleasing to note that ANAO has now signed off on these.

Still, the single biggest issue in fixing Defence accounts has been the IT systems and the vital issue of human skill and knowledge to work the systems properly. Expenditure on training in the use of the financial systems does seem to be paying off. Perhaps if that same investment had been made a decade ago, much of the trouble that we have come to understand could have been avoided.

The largest and most problematic area remaining is that of stores inventories, their value and their management on an ongoing basis. This was reported at length in 2004-05.
by ANAO and, unfortunately, is still a much troubled subject. In recent weeks, two matters on this subject have given me cause for concern. The first concerns media reports of high-level criminal activity in the theft and fraudulent management of Defence stores. This was previously alleged at major depots during the late 1990s when the then Minister Assisting the Minister for Defence, Mrs Bishop, ordered a full-scale inquiry. Any reading of the material available on what was happening then is frightening. If it is true, it explains why Defence inventories are in such a mess. Simply put, the allegations were that inventory records were being falsified to enable theft by consignment. It was reported that trucks entered and left the Moorebank site unchecked. That was almost a decade ago. It is all on the public record. As we know from the recent round of estimates, the Australian Federal Police advised that nothing was ever proven and therefore, as a consequence, nothing was done.

Sadly, that seems to be the fate of a lot of inquiries that occur in Defence. It was disturbing to have heard the evidence given to the JCPAA on 8 February that this same practice is still occurring. To quote the witness:

Trucks leaving the operation are not secured and, coming from a distribution background, I know how truck drivers manage to relieve loads from the backs of their trucks—it disappears.

The evidence was more disturbing for the insight it gave to the way in which Defence has gone about remediating the stores inventories. ANAO says the value of inventories general not reconciled is $1.7 billion. This is, by definition, a major issue.

I will summarise the points made by this particular witness, who is a CPA qualified accountant and brought to Defence his extensive private sector experience on the distribution side at a senior level. He said that Defence as a whole has been poor at adopting accrual accounting; there is a general predilection to write stock off and continue with cash accounting attitudes; Defence accounts over the past eight years show they have spent $2.4 billion on items that would not produce a future benefit to the government—that is, these assets were written off and not capitalised as they should have been; high capitalisation thresholds have resulted in a large number of assets not being reported in annual accounts; the lowering of those capitalisation thresholds saw only part of that previous write-off restored; of the assets that have been recorded, Defence has written off $4.5 billion worth of items that it could no longer locate or had no future use for; by Defence’s own admission it has wasted $12 billion in taxpayers’ funds; and, over the past eight years, Defence has spent $8.7 billion on repairs and maintenance, with $1.6 billion spent in 2006 alone, which is three times the amount spent in 1999.

And so the litany of shortcomings identified on the public record by this witness continued. The single biggest show stopper, according to the witness, was the constant failure to comply with accounting standards that are common throughout the world. The other point he made was that it is not just the reconciliation of existing inventories that is the problem; it is the fact that Defence keeps procuring equipment which it does not need.

I think it is up to Defence to examine that evidence carefully and to respond to the joint committee in detail. All I can say is that these are most serious allegations. Based on these allegations, we might never see the reconciliation of Defence accounts for their inventories without some drastic action. Through the joint committee and the Senate, we will keep pressing to have this historic mess in Defence cleaned up. That is why we on this side will commit to the UK model with the direct involvement of the ANAO in
the oversight of Defence accounts. That is a highly recommended solution but it is one which, to date, the current government has spurned. (Time expired)

National Indigenous Council

Senator BARTLETT (Queensland) (7.39 pm)—Today the National Indigenous Council provided its annual report to government. It identified the importance of expanding and making the most of economic opportunities as a key pathway to addressing the disadvantage faced by many Indigenous Australians. The council specifically identified Australia’s tourism industry and the mining and gas industries—the energy sector—as some of the key industries in which there could be opportunities for economic development and employment for Indigenous people.

The AAP report that detailed the release of the National Indigenous Council’s annual report noted that the Minister for Families, Community Services and Indigenous Affairs, Mr Brough, said the formation of the National Indigenous Council after the abolition of ATSIC had brought a fresh eye to government Indigenous policy. Members of the National Indigenous Council have an opportunity to provide their views to government, but there is no formal requirement for the government to take those views on board or to act on them. I am not being critical of any of the members—I am quite happy for them to be part of that council and to at least provide some of their views to the government—but, after the abolition of ATSIC, I think it is bit rich to describe their role as ‘a fresh eye’. There were plenty of problems with ATSIC but the complete abolition of it, holus-bolus, against the findings of the government’s $1 million review—an extensive review of the operations of ATSIC—does not bring a fresh eye. The people on the Indigenous Council certainly bring their own perspectives, which I am sure have value, but a dramatically reduced range of perspectives with a dramatically reduced degree of legitimacy and strength is now being made available to government.

In backing up that concern, I would like to refer to an article by Wesley Aird which was published in the Age today. Mr Aird is a government appointed member of the National Indigenous Council from my state of Queensland—indeed, he is from south-east Queensland—and he is a member of the Gold Coast Native Title Group. It is an irony—of which politics throws up billions—that he is on the government’s National Indigenous Council whilst trying to progress a native title claim around the Gold Coast. Government members have made a number of statements expressing concern about the prospect of native title being claimed over a metropolitan area like the Gold Coast, Brisbane or, for that matter, anywhere in south-east Queensland.

But of more interest are the statements made by Mr Aird in his article today. He pointed to another report that was released that did not receive a great deal of attention—the evaluation reports into the Council of Australian Governments trials to look at a new way of delivering services to Indigenous communities. This was meant to be a grand revolution that adopted a whole-of-government approach—a fresh new way for government to engage with Indigenous communities. I think it is fair to say that Mr Aird damned it with faint praise. He said that the execution of the trials was ‘pretty ordinary’ but he also said there was enough in them for it to be worth pursuing a similar approach. Indeed, it is worth noting his comment that, even though the execution of the trials was pretty ordinary and needs to be refined, the approach is worth supporting. He said:
When good ideas aren’t implemented very well, you have to be careful to not throw out the baby with the bathwater.

That is, of course, what the government did when it abolished ATSIC. Mr Aird notes and reinforces a point I have made and the Democrats have made many times over the years:

Efforts to overcome any community’s problems will have greater chances of success if the community is genuinely engaged in developing solutions. There is more than enough international evidence to support this position. However, here in Australia, things aren’t that easy. Regional representation has not been a priority in the Federal Government’s arrangements for indigenous affairs. The last we saw of indigenous regional representation was during the days of the Aboriginal and Torres Strait Islander Commission.

To quote him again:

This is a fundamental failing of the current system and fixing it is essential to overcoming indigenous disadvantage.

I will repeat that:

... fixing it is essential to overcoming indigenous disadvantage.

If you do not involve the communities themselves at the regional level your chances of succeeding and trying to remove this disadvantage are drastically reduced. This is coming from a member of the government’s own National Indigenous Council—someone who is quite prepared to provide advice and views on the national level. Clearly there is some value in that being done. But the big tragedy in the abolition of ATSIC from my point of view was not the removal of the national board of commissioners; it was the loss of the expertise, contacts and input at the regional and community level.

We all know across the entire Australian community—Indigenous and non-Indigenous—that there is immense diversity in our country. There is immense diversity from one capital city to another, let alone from a capital city to a large regional city, to a small country town, to a remote farming area. There is enormous diversity. With Indigenous communities and Indigenous Australians there is just as much, if not more, diversity. To try to suggest that you can have a one size fits all approach—with your sole amount of input from Indigenous people in Australia via one national, handpicked non-representative Indigenous council—is simply ludicrous. That is not to criticise the people on it; it is to criticise the inadequacy of the framework the government has set up to provide what the minister apparently believes is a fresh eye. It might be one fresh eye but there needs to be a lot more eyes out there. The government needs to be using a lot more ears and listening to what those people are saying.

The key reason why the Council of Australian Governments trials failed so badly is that no listening is being done. There is not enough ability in government departments, particularly across a range of departments working together, to be able to work in a way that is effective in the different ways and the different communities around Australia. As Wesley Aird says, 70 per cent of Indigenous Australians live in regional and capital cities; they do not live in remote communities and they do not live on Cape York. They do not live in Aboriginal communities such as those dotted around Queensland. Those are very important areas, of course—they have unique and difficult issues to overcome—but there are different but equally difficult issues to overcome in the city areas. Without that engagement with people at regional level and that willingness to just do more listening rather than talking and imposing and making grand announcements then we will continue to get these ‘ordinary’ results, to use the description of Mr Aird.

I think I would go along with Mr Aird’s assessment: the trials have not delivered any-
thing particularly spectacular, but there is enough of a kernel of an idea in them to be worth trying to advance them further. But it has got to get a lot more priority and a lot more intense support from government to expand them—and to enact them in a way that actually enables engagement with the communities we are trying to develop solutions with.

Australians across the board can give you enough examples of the difficulties of working with different government departments and trying to find their way through bureaucracies. Trying to do that with the unique difficulties and issues faced by Indigenous Australians is 100 times worse. Until we actually admit to ourselves at governance level—at parliamentary level, at government department level—that we do not have all the answers and that we actually need to get some from the people on the ground, we are going to continue to deliver far less than we need to. That is a tragedy for Indigenous Australians as well as a gross waste of taxpayers’ money. With the gross level of inequality we face, that is something that we can no longer accept and tolerate as a nation.

Volunteering in Tasmania

Senator BARNETT (Tasmania) (7.49 pm)—Tonight I would like to showcase the extent of volunteering in my home state of Tasmania and highlight the needs of the volunteering community across Australia. According to Volunteering Tasmania, my state has almost 4,720 not-for-profit organisations and most of these organisations use volunteers. There are 700,000 not-for-profit organisations nationally. In Tasmania there are—and I use this as an example—4,500 fire service volunteers alone, making up around 90 per cent of total number of fire service personnel. That does not include other emergency service volunteers, such as ambulance paramedics and SES personnel, who are mostly volunteers, particularly in the rural and regional parts of Tasmania.

I have previously in this place mentioned the powerful and selfless work these emergency workers undertake, often putting their lives on the line while their organisations rely on government grants and donations to survive or fundraising activity from supporters in their community. The Prime Minister, the Hon. John Howard, met some of these local heroes when he toured some of Tasmania’s bushfire ravaged east coast towns early last December. They were covered in sweat, almost black with soot, dirt and smoke, and were wearing the plastic overalls that must have made their lives a personal furnace every minute of the day. They would have been traumatised by what they saw, while worrying about their families and regular jobs and if their boss had the resources to keep their jobs open.

I am not just thinking of the fireys but also the hordes of volunteers handing out blankets and clothes to victims and keeping up meals to those on duty, and the hordes of volunteers that continually serve our community on a daily routine. And in my home state particularly, all this is taking place in remote or rural areas, where communications are sometimes difficult and the local economy lacks at times the critical mass and is rarely as robust as the urban economies of our cities.

The number of volunteers in Tasmania is estimated at more than 115,000. Nationally, the proportion of the adult population that is in the volunteer workforce is in fact 41 per cent. Tasmania has a very high incidence of and tremendous record in volunteerism. Volunteering in Australia has been valued by Professor Ironmonger at $42 billion. It is worth $42 billion to the Australian economy. Taking Tasmania on a population share basis, it is projected to be worth more than a billion
dollars to the state economy each year. This contribution is significant in terms of the Tasmanian economy and the level of service delivery, given that the Tasmanian budget outlays total about $3 billion a year and the total federal payments to the state are worth approximately $2.5 billion. It shows that in the cities but more so in the country towns, villages and hamlets of Tasmania there is a silent army whose members are reaching out daily to help their fellow Tasmanians and saving the state almost $3 million a day in outlays. I would love to name them all. Suffice to say that the not-for-profit organisations that I think of at this moment range from the volunteer ambulance officers association, Meals on Wheels, surf lifesaving, fire service and emergency service volunteers to playgroup associations, Rotary, Apex, St John Ambulance, Probus, community committees, RSLs, Neighbourhood Watch, senior citizens, Red Cross, Little Athletics, the Anglican Women’s Guild, Landcare groups and health-care groups—and the list goes on and on.

Senator Santoro—There are a lot of good people in Tasmania.

Senator BARNETT—Indeed, Senator Santoro; there are a lot of good people and a lot of good organisations, and they are putting in a huge effort to support their local fellows.

Senator Santoro—You do a great job in this place for them; I want to put that on the record.

Senator BARNETT—Thank you, Senator; I appreciate that input and your contribution to this important matter. I want to thank Volunteering Tasmania for providing a full list of the not-for-profit organisations across Tasmania. I also want to acknowledge the hard work of Michael Ferguson, the federal member for Bass, and Mark Baker, the federal member for Braddon, both of whom have a close relationship with the many not-for-profit and volunteer organisations in their electorates. For example, only last week I was with Michael Ferguson at the Scout Association’s celebration in Launceston of the birthday of its founder, Baden-Powell.

I also want to acknowledge that one of the highlights of the year 2006 for me was hosting thankyou Christmas drinks for representatives of the volunteer organisations in the Launceston region. Michael Ferguson was present on that occasion to say thank you, together with Volunteering Tasmania representatives. In fact, at the end of this week Diabetes Australia (Tasmania), together with me as I am helping to co-organise it, is holding the Tasmanian Pollie Pedal, on 2, 3 and 4 March. Politicians of all sizes, colours and persuasions will be on pushbikes raising money for a good cause, diabetes. We will have a host of volunteers supporting the Pollie Pedal. We hope to raise more than we did last year, which was $46,000, for that cause. Again we have the work of volunteers being instrumental to an event’s success. Volunteers come from every corner of our community. Their efforts and deeds comprise our social and moral spinal cord. Without them society as we know it would actually collapse.

Costs of volunteering was the title of a report that was released earlier this year. It said that the average out-of-pocket cost was $600 per annum for each of Australia’s 6.3 million adult volunteers. The report found that 88 per cent had out-of-pocket expenses that were not reimbursed, while 10 per cent—or an estimated 600,000 volunteers—had dropped out or reduced their hours because of the high cost of volunteering in the past year. In my view, volunteers in Australia today are undervalued and underrecognised. All levels of government and our community can do more to help.
I thank my government—specifically the Minister for Families, Community Services and Indigenous Affairs, Mal Brough—for considering the Volunteering Australia task force report, which was released in Melbourne on Monday, 22 January this year, on how to assist with some of these costs. I joined Volunteering Australia CEO, Sha Cordingly, and Professor Myles McGregor-Lowndes, who was the chairman of that task force, in the release of that report. The six options in the report are divided into two categories: reimbursement to the volunteer direct or through their organisation. As I have just indicated, the eight-member expert task force was chaired by Professor McGregor-Lowndes, who said that individual claims should be capped at $300 per annum and that criteria should be set for organisational eligibility. I want to thank the professor and his task force for the tremendous amount of work that they put into that report. Indeed, I reiterate my thanks and support for Minister Mal Brough for considering that report.

I want to pay tribute to Sha Cordingly and her deputy, Kylie Bates, for their cooperation with my submission. I again thank them for their tremendous work. Since becoming a senator I have assisted Volunteering Australia to put a series of proposals to the government to consider, including increased funding for equipment grants and other grants for volunteers and tax breaks. This is against a background where to date the government has provided more than $29 million to 14,000 community organisations around Australia. These small equipment grants are proving invaluable to the many volunteer organisations throughout Tasmania and our country. They are most appreciated. Other measures include more incentives for corporate volunteering to allow and encourage more employee volunteering programs during work time, support for the upgrading and maintenance of a volunteers register and a specific volunteer medal in the Order of Australia awards. These are outlined in my submission on this matter that is set out on my website.

I do not mind drawing an analogy between our volunteers and the Anzac spirit that persisted at Gallipoli and similar places in the world. Volunteering is no doubt a less dramatic demonstration of the Aussie spirit, but on the home front it is no less worthy. Volunteerism is an important indicator of our social, moral and spiritual health and wellbeing as a nation. I do not think that we as a community fully appreciate just how valuable our volunteers are to a vibrant and buoyant Australian society and economy. I assure you we would know it if volunteering collapsed and the community were faced with making up the difference. Put it another way: if we were to suddenly lose our volunteers the federal, state and local budgets would be in crisis. That is the best illustration I can provide by which to measure and demonstrate their value to society. I salute them tonight, not only in my home state but across Australia and throughout the world.

National Ovarian Cancer Awareness Week

Senator MOORE (Queensland) (7.59 pm)—This week, 25 February to 4 March, is National Ovarian Cancer Awareness Week, so some people in this chamber, as well as in the wider community, are wearing blue ribbons. I know that sometimes the ribbons get a bit tired and people say, ‘It’s just another cause,’ but I am really hoping that this cause, amongst so many others, will catch the attention of the community and make people stop and ask why we are concerned about ovarian cancer.

It is timely that today the government brought down its response to the October 2006 report of the Senate Standing Committee on Community Affairs called Breaking...
the silence: a national voice for gynaecological cancers. We welcome the government’s response to that report, which was handed down this afternoon. I have already talked on the record about the fact—and I hope that other people are going to do so as well—that there were 34 recommendations from the committee focused around the evidence the committee received. We were so privileged to have shared in the deep personal experiences of women who were working through their own journeys—that is the common parlance now: the cancer journey—their families and supporters and also an amazing array of professional people in this country who would be able to go anywhere in the world with their qualifications, commitment and real dedication to ending this cancer and finding a cure. We welcome the response from the government and we now have the job of ensuring that the accepted recommendations are in fact put into place.

To coincide with this week, the wonderful National Breast Cancer Centre has released some fact sheets about ovarian cancer. The most reinforced argument that we can have about the need for awareness in our community—show the ribbons!—is the fact that a survey released today, conducted by the National Breast Cancer Centre in their standard process, revealed that half of all Australian women are potentially putting their lives at risk by incorrectly assuming that a pap smear will detect ovarian cancer. This is so disappointing. It makes me fearful but it also makes me angry that in 2007 our health awareness programs have not been able to break through that level of ignorance. Educated and aware women do not understand their own bodies, do not understand the risks that they are facing and, worse than that, feel as though they are being protected by going through a medical process which they do not understand. If there is one message that we can take away from National Ovarian Cancer Awareness Week this year it is that we have to make sure that women, their families and their health practitioners all gain knowledge about this cancer, and we have to make sure that they are aware and that they ask the right questions. Otherwise, the survey results that were brought out today become meaningless and we have not heeded the hope and expectations that those people gave us as their representatives.

I want to quote some of the evidence given to our committee. There were so many things. I reinforce again: please read the report; it is full of valuable experience and knowledge. I want to read two quotes now that link in with the survey that was released. One is from Professor Neville Hacker, the Director of the Gynaecological Cancer Centre at the Royal Hospital for Women, who said:

If you asked the average woman on the street whether she had ever heard of a gynaecological oncologist, she would say no.

Another quote is from Mr John Gower, a wonderful man who works in Queensland as the Chief Executive of the Gynaecological Cancer Society there. I really want to reinforce this quote:

There is a lot of evidence where women have presented with symptoms and in truth the only reason that a final diagnosis of gynae cancer was made was because the patient sat there and said: ‘That’s not good enough. I don’t have a cold.’...There are a lot of women alive today who would not be if they had not been assertive about their symptoms.

That is the evidence of knowledge. We know that if women have the knowledge to ask questions, to take their health into their own hands and to work with medical practitioners, a lot of lives would be saved and the mortality rate which is now present for gynaecological cancer would be improved.

In the time that I have I want to talk about two places that I have had the honour to visit
in Queensland. Senator McLucas has had this experience as well. One is the Wesley Hospital, which I have talked about here before. It has a very well established process for supporting women through breast cancer—the Kim Walters Choices program. Through that program there is very individual support offered to women and their families, both medically and in their social lives, and it assists them to work through at their own pace what they need to make their own choices—hence the title ‘Choices’. I am really happy that the Choices program, which has been in place now for many years with so many success stories, has now been extended to include women with gynaecological cancer.

That effective model of personal support linked to a very strong hospital has now been extended to women who are working through gynaecological cancer. It provides medical support and very skilled personal knowledge from women who have gone through this process themselves and it can offer as little or as much help as a woman needs. I think that is so important. It is not intrusive. You are not told what you must do or should do; you are encouraged to make your own choices through the process. Through the extension of the process on the campus at Wesley Hospital, and also through their regional visiting service across Queensland, this kind of personal knowledge, support and interaction is now available for those people who are working through gynaecological cancer. They have information and special exercise programs which work with women so that they can regain their own strength. They have multidisciplinary teams—how often have we heard that term?—with physiotherapists, peer support coordinators, specialist nurses and councillors so women can make their own decisions in private about what they want to do for their health and their families. I know that we will be talking about this again as we work through how the response to the recommendations of the Breaking the silence: a national voice for gynaecological cancers report will be put in place. I know I will be able to come back here and talk about the personal experiences of so many women.

The other centre that I had the privilege to visit in the last couple of months was at the Royal Brisbane Hospital in Queensland—one of the largest centres looking after women with all forms of illness but in particular gynaecological cancer. I had the privilege to talk with a number of the case managers, specialist nurses and amazing doctors who operate in that area and see their personal commitment to the patients and their families. Every woman who presents at that hospital brings her own experience but also that of her friends and family, because cancer does not only affect the person who has the condition; it affects their whole family and also their friends and support networks. This clinic at the Royal Brisbane Hospital allows those women to share their experience. We hope that it can be enlarged, because the demand is so great. That is also the plan that is being worked through at the Brisbane hospital, because they want to provide the services as best they can.

I know that Senator Adams will be talking about the patient travel scheme at some time, if not this evening. We cannot let that go unnoticed. When someone is ill and they need to travel to get the best possible care—and sometimes the best option is to travel to where the service can be provided—we as a community have a responsibility to ensure that they have the best possible support for their travel and accommodation so that they, their family and their carers can all take part in what must be a personal choice for how that journey will take place. If we cannot get appropriate support on such simple things as travel and accommodation, we are nowhere
near getting the kind of specialist, professional medical help that must be provided.

This week we have National Ovarian Cancer Awareness Week, and we wear the ribbon, but we need that awareness and knowledge much more strongly entrenched in the wider community so that those voices that have been silenced can be actively heard and we can maintain a strong response, because we are better than a silent community.

National Ovarian Cancer Awareness Week

Senator ADAMS (Western Australia) (8.09 pm)—I too rise this evening to speak on Breaking the silence: a national voice for gynaecological cancers and the government’s response to that report. As a member of the Senate Standing Committee on Community Affairs, which held an inquiry into gynaecological cancer in Australia last year, I am delighted with the government’s response to the committee’s report. This inquiry drew people from all walks of life to give evidence to the committee’s eight public hearings, which were held in Canberra, Sydney, Melbourne and Perth. We also made two site visits. It was a great opportunity for the committee to meet with so many experts in the area of gynaecological cancer. Witnesses included women with gynaecological cancer, survivors, gynaecological oncologists, medical and allied health professionals, representative bodies—of which there are a terrific number—and consumer advocacy groups.

This all started with the committee holding a roundtable in March 2006 to discuss gynaecological health issues. Many travelled great distances at their own expense to give evidence to the committee. Gynaecological cancer, unlike breast cancer, has not been highlighted in the way that it should have been. So we wear our ribbons—and, for those who do not have them, the Government Whip, Senator Jeannie Ferris, has a great big basket of them. I would love to see everyone wearing them in the Senate tomorrow.

Getting back to the release of the government’s response to the report, our recommendation 1 was:

... that the Commonwealth Government establish a Centre for Gynaecological Cancers within the auspices of Cancer Australia.

Of course, Cancer Australia was a Commonwealth initiative. They have just had their first meetings and are really starting to make a difference. Recommendation 1 continued:

The Centre will have responsibility for giving national focus to gynaecological cancer issues and improving coordination of existing health, medical and support services and community projects.

The government’s response to this was:

The Commonwealth Government agrees to establish a Centre for Gynaecological Cancers within the auspices of Cancer Australia. Once the Centre has been established, the Government will ask it to undertake an early assessment of existing gynaecological cancer services and to provide a national focus to gynaecological cancer issues.

I quote from their minister’s press release this afternoon:

The centre will receive $1 million in seed funding to support its establishment and initial operation. It will provide education and increase awareness among medical and allied health professionals about gynaecological cancers and—

as has been said—

will operate under the auspices of Cancer Australia.
The $1 million for the new centre is in addition to investments totalling almost $13.6 million over six years to 2009 that the government has committed to programs for women’s cancers. Over half of this investment is currently delivering breast cancer and ovarian cancer programs through the National Breast Cancer Centre. The National Breast Cancer Centre delivers the ovarian cancer program and breast screening program and will be working closely with the new Centre for Gynaecological Cancers.

It is important to note that gynaecological cancers affect the lives of the more than 3,800 Australian women who are diagnosed with it each year. During 2005-06 the National Health and Medical Research Council provided more than $44 million for research into gynaecological cancers. The National Cervical Screening Program has helped to reduce the incidence of cervical cancer by 57 per cent and mortality by 58 per cent in the past 10 years.

Our recommendation 3 was:

The Committee recommends that a working group be formed, with the support of Cancer Australia, consisting of individuals with experience and expertise in gynaecological cancers to best develop the roles, responsibilities and priorities of the Centre for Gynaecological Cancers.

It is very important that we have the correct expertise, along with the people who have gone through this—the survivors and also consumers. It is just so important that the group consists of the right people. The Commonwealth’s response to this was that it:

... agrees with this recommendation and will seek advice from Cancer Australia and the relevant professional organisations ... on the composition and terms of reference of the working group.

That is very important.

I will move to the work that has been done in the screening program, which I think is very important. The committee recommended:

... that the Commonwealth Government’s funding and leadership of the National Cervical Screening Program continue and that strategies be implemented to improve screening participation rates for Australian women, particularly for Indigenous women.

As Senator Moore has just commented, this screening does not give a positive diagnosis of ovarian cancer; it is for cervical screening. We really need to get this message across, and I think that after tonight we will. The response is that the Commonwealth government will continue its funding and leadership of the National Cervical Screening Program, and it has initiatives in place which aim to improve the screening rates for Australian women.

In 2006-07, budget funding was continued to encourage general practitioners to increase rates of participation in this program, particularly for women who were lapsed or had never been screened, including our Indigenous women. Since the initiative commenced, almost 190,000 previously underscreened women have been screened by their GPs. Once again this is a wonderful initiative, and the fact that this program will be carried on is very important. The screening program at state and territory level employs Indigenous staff to advise on communication and cultural matters, which is very important, and uses Aboriginal health workers wherever possible to provide services or communicate the importance of screening to Indigenous women.

I am rather disappointed about some of our other responses. Senator Moore has already noted the patient assisted travel. I will keep working on this. It is unfortunately a state responsibility, but I believe we should have national guidelines so that the borders of our states are broken down and women who have to go to another state for treatment...
can do so without any of the problems they are experiencing at the moment.

The other thing we put forward was lymphoedema. Many gynaecological cancers with lymph nodes being removed from the groin area eventuate with lymphoedema. It is an insidious disease and very difficult. I have it in the arm, which is easier to manage but is hard enough. But when you have it in your legs and in your body and you are trying to deal with it yourself, plus having to wear very heavy and expensive garments to prevent the swelling, it is really difficult. The people who can help us are allied health professionals and physios. We are trying to get further support for people with this condition, because it really is difficult. Gynaecological cancer patients do get it, and I think it is now my responsibility to those people who gave evidence at our inquiry to improve the lot of rural and regional women who have to travel for their treatment for gynaecological cancer and also of those women who have lymphoedema. These are my two issues for the next year.

Disability and Overseas Development

Senator HUMPHRIES (Australian Capital Territory) (8.19 pm)—First of all, I would like to briefly mention that I am also thrilled by the response which I have seen today from the government on the issue of gynaecological cancer. I hope to be able to return to speak more about that issue on Thursday this week, but I associate myself with the remarks Senator Moore and Senator Adams have made in the course of the adjournment debate this evening.

Tonight, though, I want to rise to mention two other issues—disability and overseas development. These issues tend to be somewhat on the edge of the political horizon for many members of parliament, but they are two very important issues. When they intersect in the form of discussions around Australia’s programs for overseas aid and the promotion of services and the rights of people with disabilities then it is clear how important it is that these issues be well understood and that greater effort be made to address their intersection.

This week in Canberra a new organisation called the Australian Disability and Development Consortium was established. It is an alliance of a number of organisations that deal either with disability or with provision of services and aid overseas. The consortium is an opportunity to raise awareness about the role Australian aid agencies can play and are playing not only in improving the lives of people in developing countries but also in specifically addressing problems associated with disability in those countries. This is a very important issue which I think needs to be returned to in a very constructive way.

In conjunction with the formation of the consortium, an exhibition has been opened in the exhibition area close to the post office in Parliament House. It is a very positive exploration of the issue of disability in overseas development. It portrays a lot of very positive things which Australian aid agencies have been doing to ensure that the needs of people with disabilities are not overlooked when it comes to aid programs.

The fact cannot be escaped that being both disabled and poor in a developing country is a particularly bleak prospect. If disability in Australia can be said to mean travelling some paces behind other citizens in terms of quality of life, opportunity to contribute and social inclusion, that phenomenon is even more marked in developing countries.

Let us consider these facts. The mortality rate for children born with disabilities can be as high as 80 per cent in some developing countries not only because of threats posed to their health by their disability but also by virtue of social attitudes towards their dis-
ability. Only one to two per cent of disabled people in low-income communities receive the rehabilitation services that they need, even when equivalent services in places such as Australia are relatively cheap and accessible. Ninety-eight per cent of disabled children in developing countries get no education whatsoever. Women and girls with disability are at least twice as likely to be victims of physical or sexual abuse.

In many developing countries, there are a wide variety of responses to disability. Children born with disabilities can sometimes be viewed as having some sort of blessing. Unfortunately, the more common attitude is that they are in some way cursed; certainly, they are often social outcasts and their families can be the subject of great social stigma and rejection. Those affected by disability later in life, who acquire a disability through, for example, landmines, AIDS or war, very often fare little better.

The role of aid agencies and development programs in offsetting this disadvantage is potentially enormous. It is important we do not undersell the power that we have to alter outcomes and counter the effects of poverty and disability simultaneously. Relatively small amounts of money translate into a lot of buying power in developing countries and the capacity to turn a person’s life around, particularly if they have a disability, is not dependent necessarily on cancelling their impoverishment so much as on creating or restoring the tools they need to participate socially and economically in their communities.

The exhibition that I spoke about demonstrates how effective non-government aid agencies, especially Australian ones, can be and have been in this area. They deserve to be supported because they are packing a punch, they make a difference, they are well respected in the countries in which they operate and they also incidentally buy precious goodwill towards Australia and the role of Australians in our region and beyond.

The underlying message here is that, if aid is about redressing disadvantage, serious focus has to be placed at the same time on aid’s function in addressing the added layer of disability. That focus is appropriate and timely, but it does carry some risks. Aid is generally welcome in developing countries, but aid directed towards levelling the playing field between disabled and able-bodied people might in some cases be a source of resentment or be seen as an attempt to change or confront the values of some societies. The fact that that is so does not mean that we should not proceed to act in this area, but it is a reason to move with sensitivity—an approach, I am pleased to say, which is taken by aid agencies based in Australia.

Australia has never been in a better position to generously address these burning issues, especially in our region. I believe that the issues addressed in AusAID’s white paper, which was released last year, show encouraging signs of how well we can do in this area—but, frankly, we need to do better. We do need to lift our capacity to address that very powerful disadvantage in our region simply because we have the means to do so.

Not only are non-government agencies doing a very good job in this context but the Australian government’s own aid activities, principally through AusAID, deserve to be mentioned in this context. A few examples of what the Australian government is doing with respect to addressing disability in regional and other areas include the contribution of $112,000 to the Mithra Foundation in India in July 2006 to help to provide accommodation, physiotherapy and rehabilitation for 130 students with mental and physical disabilities.
In Cambodia, Australia has established a landmine victim assistance fund supporting Cambodian non-government organisations that help in the rehabilitation and reintegration of landmine survivors. The government has also provided assistance, through the Australian Army, to rebuild a mental hospital in Banda Aceh that was flattened by the December 2004 tsunami. It sent a mental health specialist to help ensure that the hospital provides appropriate services for people in that part of Indonesia.

In 1998, AusAID, the Marist Mission Centre and the Marist Brothers of Australia established a school for physically disabled children in Phnom Penh. Their disabilities are mainly the result of polio, which has been eradicated in this country but is still a very serious problem in other parts of the world. Participants in the Australian Youth Ambassadors for Development Program, launched in 1998, have helped overseas people with disabilities. For example, Andrew Yong worked as a Disability Sports Development Officer in Cambodia and Christina Parasyn, an occupational therapist, promoted the rights of people with disabilities in the Maldives. They are only two of many who have taken the opportunity to go and work as young people in other countries and provide assistance in development. It is important to note the Australian government’s activities in issues to do with funding of landmine clearance, vaccines for conditions such as polio and improving inadequate health systems and infrastructure, which are conditions where diseases thrive.

AusAID operates under 11 aid themes including economic growth, water, health, human rights and gender. Possibly, disability should be added there. I am hopeful that the target of $4 billion in aid by 2010 as foreseen by the white paper can be reached. I am very pleased that target is being looked at seriously. I want to close by commending the people who have been involved in the Australian Disability and Development Consortium: Paul Callaghan from ACID, Paul Deany from Christian Blind Mission and Ken Baker from ACROD.

Defence

Senator FAULKNER (New South Wales) (8.29 pm)—Mr Acting Deputy President, I seek leave to speak for 20 minutes.

Leave granted.

Senator FAULKNER—Tonight I wish to speak about a serious problem: the current Defence Capability Plan. This is the plan that supposedly guides the expenditure of some $55 billion of taxpayers’ money to purchase new defence acquisitions. This is the plan that supposedly ties major acquisitions with the associated new personnel requirements and guides the very important through-life support for the new acquisitions.

This plan is a mess. It is a mess because the Prime Minister and successive defence ministers have failed to do their job. They have failed to provide the top-down management of this crucial plan. The Defence Capability Plan was designed to bring strategic coherence, fiscal discipline and clear guidelines to the Department of Defence on how it should spend taxpayers’ money. But the Australian Strategic Policy Institute in its special report of January this year states: “The Defence Capability Plan has degenerated into a list of future investment projects.”

The responsibility for this lies with the Prime Minister and successive defence ministers. I say the Prime Minister because we all know that the Prime Minister likes to run defence. It is the Prime Minister that runs defence. It is Mr Howard who tells Dr Nelson what to do, just as he did with Robert Hill, Peter Reith, John Moore and Ian McLachlan. It is time that this government and the Prime Minister, Mr Howard, took
responsibility for this mess of their own making.

The national government has sole responsibility—and a grave responsibility it is—to make sure that the ADF is properly equipped and supported to carry out its tasks through capability delivery and beyond. That is the government’s job and the Howard government has not delivered. Every defence acquisition failure hurts the ADF’s operational capabilities. Every failure wastes taxpayers’ dollars and every dollar wasted has to be replaced at some stage. Every dollar wasted represents a reduction in what ADF capability can be purchased or supported. Every dollar wasted is stolen from the future.

We are not talking here about small amounts of money that can be disguised as some inevitable departmental inefficiency or consequence of risk. The top 20 projects due for delivery in the Howard years represent in total in excess of $10 billion of taxpayers’ money. But now these projects will cost up to double that amount. The Howard government’s incompetence measure is up to $10 billion for these projects alone. Four of the 20 projects were cancelled. On average, each of the remaining programs will experience an overrun in excess of $600 million per program. These are staggering amounts. Let us look at three of the programs.

The Royal Australian Navy had six guided missile frigates, or FFGs. The decision was taken to upgrade their capability and performance. A contract was signed in 1999. The completion date for the first upgrade was to be August 2003. Project cost was about $900 million in 1999 prices. It is now 2007. The Navy has no operational upgraded FFGs. No-one can confidently predict a completion date for the upgrade, although the target seems to be late 2008. In other words, the project is at least five years late. During the acquisition phase, no doubt influenced by the increasing delays in delivery, the government announced the retirement of two of the FFGs. But Defence has purchased and paid for upgrade kits for all six ships. The contract price has so far not been successfully renegotiated. Are we getting a bargain? Four ships for the price of six! The contractor has received bonus payments in the order of $3.5 million as well as having been paid nearly 80 per cent of the original contract price. The Navy still does not have an upgraded operational FFG.

As a result of the government’s failure, Navy has not had the benefit of substantial capability improvement. By any standard, this program gets marked as a fail—a fail on cost management, a fail on timely delivery and a question mark on the completeness and effectiveness of the capability that may ultimately be delivered. In plain speak, the government has failed on time, cost and quality.

The second example is the infamous Seasprite helicopters. They form a vital part of the Anzac ships capability, extending the range of their eyes and ears and weapons systems. The ships are not fully effective without them. The Seasprites were planned for delivery in 2000 at a cost of $750 million. Their cost is now in the order of $1 billion and the intended capability has not been achieved. The helicopters remain in their hangars. Strong doubts exist as to whether the Navy’s operational requirements for the Seasprites can ever be achieved and, as a result, Minister Nelson directed a re-examination of the future of the whole program. Whatever the outcome of the review, this project must also be marked as a failure. Up to $1 billion has been wasted.

The last example is the upgrade of the RAAF’s FA18 fleet to incorporate vital capability enhancements. One element of the upgrade is a new radar warning receiver with a project cost of about $330 million. The
government took a risk with the direction chosen for the radar warning system. Then, having taken that risk, they failed to properly control the project. The lack of effective control ultimately led to a belated decision to scrap the years of development work and, effectively, the government were forced to buy new kit ‘off the shelf’. Yet again the government get a fail on both time and cost. Quality of the product to be delivered for this project remains uncertain.

In announcing the government’s about-face on the radar warning system, the minister was reluctant to blame the contractor or exchange rate movements. The minister just dismissed this waste as an inevitable risk of leading-edge projects. Dr Nelson, the Minister for Defence, said:

... the Government is not and will not be risk averse in encouraging innovation and in obtaining the best capability. However, we have concluded that this technology cannot be delivered within the necessary timeframe.

The minister went on:

... the Government has now decided to fit the Raytheon ALR-67(v)3 RWR to the entire F/A-18 fleet. The ALR-67(v)3 is already proven and operational in the United States’ F/A-18 fleet, so there is low integration risk.

Granted, to maintain our superiority we need to stay leading-edge in critical areas of capability. Leading-edge projects have a degree of risk. However, in the case of the radar warning system, the government followed a leading-edge approach then decided that a low-risk option would suffice. This leaves unanswered questions. If the low-risk and proven solution can meet the ADF’s needs, why didn’t the government decide on that approach initially? Is this yet another capability compromise, necessary because of poor management by this government? In the interests of an informed public the minister ought to tell us up-front which projects fit in the ‘risky’ category, not use it as an excuse for failure.

So what has been the government’s response to the growing list of failed or failing major acquisition projects? Following a Senate committee inquiry in 2003, defence materiel acquisition was further assessed in the Kinnaird review. Despite the benefits of scrutiny by, and recommendations from, both the Senate Foreign Affairs, Defence and Trade Committee report on materiel acquisition and management in Defence and the Kinnaird review, defence acquisitions remain in crisis. Despite these valuable inquiries, the Howard government has failed to reform the process of acquisition and improve the support for delivered capability.

Not only has the government failed to fix the pre-Kinnaird problems, it has failed to deliver on the review’s recommendations. The government only effectively implemented some of the recommendations. And this is disastrous because the recommendations are inextricably interdependent and were never intended to be cherry-picked. The government may say that the DMO annual report 2005-2006 identifies some project performance improvements. I acknowledge and believe that these can be attributed to better management inside the DMO and reflect well on the work being done by the DMO management team.

However, critical issues continue around the government’s role in major acquisition performance. Nothing the government has done in response to the Senate committee or Kinnaird reviews has achieved the substantial and enduring change that the government trumpeted as necessary in promoting the establishment of the DMO as a prescribed agency. The government has failed to keep the Australian taxpayer fully informed of the status of major projects. Both reviews recommended that there should be more report-
ing by the government on the status of projects. Indeed, the Australian National Audit Office has recommended on several occasions that Defence should report annually to the parliament on the status of its projects. But this has not happened.

The government is also failing to acknowledge the downstream effects of its acquisition performance. Schedule overrun and delivery of reduced capability have a real impact. Cost overruns, whether they are associated with schedule problems or not, take money away from other worthwhile projects and take funds from future support for the delivered platforms and systems.

This government would do well to remember that every overrun on a major acquisition matters now, and will matter in the future. With these massive cost burdens on the defence budget, fewer capabilities can be acquired and fewer platforms and weapons systems can be supported. The impact will be felt for many years to come—and it will be felt on the ADF and on our defence personnel. Every acquisition failure, every cost overrun, every wasted dollar, is money stolen from the future. We owe the men and women who now—and who will in the future—defend and serve our country the best tools, the best weapons and equipment for that defence. We owe it to them not to squander the defence budget in waste and mismanagement.

Defence

Senator IAN CAMPBELL (Western Australia—Minister for Human Services) (8.47 pm)—I think it shows a remarkable audacity on behalf of a Labor Party senator to raise the issues of defence spending, Australia’s defence preparedness, the build-up of Australia’s defence readiness and the acquisition of materials by the Australian Defence Force. That is firstly because when Labor had the chance to be in power they ran down Australia’s defence preparedness, our defence capital and our defence forces in terms of their capabilities and of the size of the defence forces and, therefore, the contribution that those defence forces can make to securing Australia. Secondly, it shows an incredible lack of serious interest in defence for Senator Faulkner—who is now skulking out of the chamber, because he has more important things to do, no doubt—to raise the issue of defence in the adjournment debate at 10 minutes to nine on a Tuesday night.

I would welcome the Labor Party coming into this place and moving a serious motion on defence issues and debating defence on the floor of this chamber on any day. Let us have a serious debate. Let us talk about the defence budget. Let us talk about our defence preparedness. Let us talk about Australia’s contribution to the defence of the region, our participation in the Pacific region, our participation in the Middle East, our contribution in Afghanistan, our contribution to liberating the people of East Timor, our contribution to peacekeeping and, of course, the substantial increase in Australia’s defence preparedness through the contribution that the Howard-Costello team and the Australian government have made to building up Australia’s defence.

Australia’s defence was run down through the Hawke prime ministership and the Keating prime ministership; it sunk to the lowest levels. Yes, this Prime Minister, John Howard, has a very serious interest in defence. That is one of the few accurate things that Senator Faulkner said. Yes, our Prime Minister takes a serious and substantial interest in defence spending and Australia’s defence preparedness. He is acutely aware of it. He works very closely on it because he knows that the first responsibility of an Australian Prime Minister, the first responsibility of an Australian government, in a world that is very uncertain and threatened daily is pro-
protecting Australia and looking after Australia’s interests. And that is why the Prime Minister has—and why the coalition is so proud of him—ensured that we have rebuilt Australia’s defences. Yes, we have undertaken some of the largest defence contracts and defence procurement contracts ever entered into in Australia’s history. We are proud of that. They are very big projects, very big contracts, and they will contribute towards a safe and secure Australia.

What Senator Faulkner did—and I invite anyone to read what he said about the management of our procurement programs—is to put all of the blame on the defence minister and the Prime Minister for any contract that might go over budget. When he recognises, to his credit, that improvements have been made since Malcolm Kinnaird’s review, he gives all the credit to the personnel in the Defence Materiel Organisation, the DMO. I suggest to Senator Faulkner that when he criticises the defence purchasing arrangements of the Australian government what he really does is to criticise the entire defence organisation. He criticises the ADF and the DMO, he criticises the defence minister and he criticises the Prime Minister, but what he is doing—

Senator George Campbell—I raise a point of order, Mr President. I think it is one thing for Senator Campbell to wax lyrical about the issues in Defence and to challenge the issues that Senator Faulkner raised in terms of what is occurring in defence procurement, but it is another thing to impute a motive to Senator Faulkner, which Senator Campbell just did and which is contrary to standing order 193(2).

The PRESIDENT—So your point of order is on imputation?

Senator George Campbell—Senator Campbell is imputing a motive to Senator Faulkner which I think is not real.

The PRESIDENT—I do not believe so, Senator.

Senator George Campbell—Sorry, Mr President, what does that mean? Are you ruling against my point of order?

The PRESIDENT—I am ruling against your point of order. Senator Campbell has the call. Whilst I do not believe he imputed motives, I remind him that he should be careful in what he says when he is referring to other senators.

Senator IAN CAMPBELL—I always try to be very careful in what I am saying. Senator Faulkner is quite happy to attribute blame to the Minister for Defence and the Prime Minister, but when he does that he in fact criticises all of those responsible for acquisitions of major capital items. Can I put some facts on the record—

Senator George Campbell—Mr President, I raise the same point of order.

Senator IAN CAMPBELL—Why don’t you get up and debate it rather than raising a point of order?

Senator George Campbell—I am quite happy to debate it with you, Senator Campbell, but you are imputing a point of view that Senator Faulkner raised about one section of Defence to his views about what the Prime Minister and the Minister for Defence are doing and to his views about other people in Defence. I think that is taking the point beyond the point of reason.

The PRESIDENT—There is no point of order, but I draw the minister’s attention to the fact that he cannot impute improper motives to another senator. I remind him to be careful of his terminology.

Senator IAN CAMPBELL—Mr President, on the point of order: Senator Faulkner said—

Senator Marshall—He has ruled already.
Senator IAN CAMPBELL—Yes, he has ruled against the point of order. I will now go on with the debate. I will make it quite clear, as a debating point, that I am happy for Senator George Campbell to get up and debate this. I invite the Labor Party, rather than raising this at 9 o’clock on a Tuesday night, to have a real debate about the defence of Australia and multibillion dollar defence projects. Why not have a real debate about defence? We will debate them anywhere, anytime. We know that Labor’s record on defence is appalling. It is a disgrace. We remember the Collins class submarine project. Whenever you think about the Labor Party and defence procurement in Australia, you think about the Collins class submarine project. It has taken a decade to clean up the mess made by gurus like Senator Robert Ray and the other former defence ministers, which created a disaster for Australia’s defence procurement.

Senator Faulkner and the Labor Party cannot have it both ways. They cannot say that the defence minister and the Prime Minister are responsible for some failures in defence procurement but that DMO personnel are responsible for all the improvements. That is the point I am making. You cannot say the minister is responsible for all the failures but the public servants are responsible for the improvements. When you attack defence procurement you attack the people responsible for it, and you cannot get away from that. Senator Faulkner is attacking the defence procurement of the Australian government, and that is the responsibility of hundreds of very decent Australians who work their guts out to ensure Australia is well defended. They are the ones Senator Faulkner is attacking, whether he likes it or not and whether his comrade Senator George Campbell wants to accept it or not. That is the reality of what Senator Faulkner does.

The reality of our projects is that there are no cost blowouts. Senator Faulkner has the audacity to come into this place and say that we are stealing from the future of Australia’s defence capability, when this government has been increasing defence spending year after year and when defence spending under Labor went down and down. The Labor Party talks about stealing from future generations. What happened when we came to power in 1996 and found Defence in a hopeless state—morale down and defence spending slashed year after year? We realised Australia had to rebuild its defences and we looked in the Treasury coffers. How do you rebuild the defence of Australia when you have inherited a Treasury which has been robbed to the tune of $96 billion and when the interest on the debt that the Labor Party ran up is in excess of billions of dollars a year? What did we do? We said that defence is important. We started ramping up defence spending. We had to cut expenditure across every single department of government because of the profligacy of Labor when they were running the Treasury. There was $96 billion of debt. So we started cutting expenditure in every single portfolio. Every single cut was opposed by the Labor Party, but we saved one department. Which one was that? It was Defence. We knew that the most crucial responsibility of the Australian government was to defend Australia. We quarantined Defence, and of course since then we have rebuilt defence expenditure. These people opposite talk about robbing future generations. They ran up debt to $96 billion.

Since July 2003 there has been just a three per cent increase in the real cost of major capital equipment projects. This compares very favourably with our defence counterparts in the United States and the United Kingdom. Let us get some facts for a change—we heard all the rhetoric from Senator Faulkner. Of 93 projects completed
since July 2003, 10 required a budget increase and 51 of them achieved budget decreases—10 cost overruns, 51 below budget. Overall, the net variation in cost was just $36 million. Senator Faulkner would have you believe it was $10 billion—and this is from the people who borrowed $96 billion and put it on the bankcard. He talks about $10 billion, but the reality is that the net variation is just $36 million from a total of $5.5 billion.

Let us get this in context: a multibillion dollar increase in Australia’s defence procurement to give us the most historic increase in defence preparedness in Australia’s history. Senator Faulkner will not debate this during the day. He waits until 9 o’clock at night. What is the real increase? It is 0.65 per cent. Senator Faulkner should be ashamed of himself. His audacity knows no bounds. For the Labor Party to raise defence procurement, when they ran this country into debt and ran our defence down, is a joke. *(Time expired)*

**Senate adjourned at 9.00 pm**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:


*Crimes Act 1914*—Authorisations for acquisition and use of assumed identities for 2005-06—Australian Taxation Office.

*Customs Act 1901*—Customs (Prohibited Exports) Regulations 1958—Report on permissions to export human embryos for the period 1 July to 31 December 2006.

*Foreign Investment Review Board*—Report for 2005-06.

*Migration Act 1958*—Reports for the period 1 July to 31 October 2006—

*Section 91Y*—Protection visa processing taking more than 90 days.

*Section 440A*—Conduct of Refugee Review Tribunal (RRT) reviews not completed within 90 days.

*Native Title Act 1993*—Native title representative bodies—South West Aboriginal Land and Sea Council Aboriginal Corporation—Report for 2005-06.


*Treaties*—


**Tabling**

The following documents were tabled by the Clerk:


*Product Rulings*—Addendum—PR 2006/163A.


Taxation Rulings—Notices of Withdrawal—Old series—IT 2069, IT 2381, IT 2559, IT 2560 and IT 2678W.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Centrelink
(Question No. 2811)

Senator Chris Evans asked the Minister for Human Services, upon notice, on 20 November 2006:

(1) For each of the financial years 2002-03, 2003-04, 2004-05 and 2005-06, how many tip-offs from the public were received by Centrelink involving alleged overpayments of benefits.

(2) For the 2005-06 financial year, how many tip-offs were received in relation to each of the different types of payment.

(3) Can a detailed description be provided of the procedure for investigating tip-offs from the public.

(4) For the 2005-06 financial year, how many tip-offs were there: (a) considered not to have enough information or to be frivolous and were not followed up; (b) reviewed and found to be incorrect or unsubstantiated, with no further action taken; (c) reviewed and found to be correct or substantiated, but no further action was taken; (d) reviewed and found to be correct or substantiated, and a payment was reduced; (e) reviewed and found to be correct or substantiated, and a payment was cancelled; and (f) reviewed and found to be correct or substantiated, and a payment was reduced or cancelled and the matter was referred to the relevant body for criminal conviction.

(5) For each of the financial years 2002-03, 2003-04, 2004-05 and 2005-06, how many people have been convicted for fraud, following a tip-off from the public.

(6) Where an individual has received an overpayment, is the full amount of the overpayment raised as a debt to that individual in every case; if not: (a) is there a minimum amount that will be raised as a debt; and (b) is there discretion not to raise the full amount of the overpayment.

(7) If there is discretion in the amount to be raised as a debt following an overpayment, what are the factors that are considered in exercising that discretion.

(8) Where an individual has received an overpayment and is convicted for fraud, is the full amount of the overpayment raised as a debt to that individual in every case.

(9) For each of the financial years 2002-03, 2003-04, 2004-05 and 2005-06, what is the total amount raised in debts as a result of overpayments.

Senator Ian Campbell—The answer to the honourable senator’s question is as follows:

(1) The following table provides the number of tip-offs from the public received by Centrelink involving alleged overpayments of benefits for each financial year:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Number of Tip-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>102,422</td>
</tr>
<tr>
<td>2003-04</td>
<td>103,925</td>
</tr>
<tr>
<td>2004-05</td>
<td>95,570</td>
</tr>
<tr>
<td>2005-06</td>
<td>118,491</td>
</tr>
</tbody>
</table>

(2) Centrelink is not able to break down the tip-offs received in relation to each of the different types of payment.

(3) All public tip-offs are recorded on the Tip-off Recording System and assessed by the Tip-off Identification Processing Site. Following assessment, tip-offs are either investigated further or deleted. Tip-offs can be deleted for a number of reasons, including:
• The person is not a Centrelink customer.
• There is a tip-off already in progress with the same information.
• The information provided has already been investigated.
• There is not enough information to identify the customer.

Investigators conduct checks on the customer’s circumstances, and collect evidence as appropriate. If the investigation reveals an overpayment, a debt is raised and legal action is taken if necessary. Where the tip-off is not supported, the investigation is finalised with no action taken.

(4) (a) 5,719.
(b) 47,640.
(c) Zero.
(d) 8,844.
(e) 2,648.
(f) The detailed information required to answer the question is not readily available. To obtain this information would be highly resource intensive and I cannot justify the level of expenditure that would be required to obtain it.

(5) The detailed information required to answer the question is not readily available. To obtain this information would be highly resource intensive and I cannot justify the level of expenditure that would be required to obtain it.

(6) An excess payment is only legally recoverable if one of the debt creation provisions, contained in either the Social Security Act 1991 or another Act administered by Centrelink allows recovery. If this is not the case, Centrelink cannot pursue recovery action and there is no debt. Where an overpayment is legally recoverable, the full amount must be raised as a debt.

(7) There is no discretion not to raise a legally recoverable debt.

(8) Where an individual has received an overpayment and has been convicted of fraud, the full amount of the overpayment is raised as a debt to that individual in every case.

(9) The following table provides the total amount raised in debts as a result of overpayments for each financial year:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total amount raised in debts as a result of overpayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>$2,286,700,000</td>
</tr>
<tr>
<td>2003-04</td>
<td>$2,045,600,000</td>
</tr>
<tr>
<td>2004-05</td>
<td>$1,886,800,000</td>
</tr>
<tr>
<td>2005-06</td>
<td>$1,684,900,000</td>
</tr>
</tbody>
</table>

These amounts are for the total amount of Centrelink debts (i.e. not only tip-off debt) and include debts that are raised and immediately waived.

To prepare this response it has taken 5 hours and 21 minutes at an estimated cost of $285.

Defence: Annual Report
(Question No. 2873)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:
(1) Given that it has been considered appropriate on page 249 of the department’s annual report for 2005-06 to quote from the Podger report into the learning culture of schools and training establishments in the Australian Defence Force, why has the report not been made public.

(2) What are the ‘shortfalls’ referred to on page 249 of the annual report.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The Learning Culture Inquiry report and Defence’s response to the report recommendations were made public on 6 December 2006.

(2) The recommendations from the inquiry are addressed in Defence’s response to the report. The response outlines Defence’s approach to the report’s 47 recommendations and how these are to be implemented. See Defence’s Media Release No. 352/2006 of 6 December 2006, which is available at: www.defence.gov.au.

**Australian Defence Force: Investigative Teams**

(Question No. 2876)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:

(1) What was the nature and purpose of each deployment of an investigative team to Iraq, Afghanistan, East Timor and the Solomon Islands.

(2) What was the outcome of each investigation.

(3) What other investigative forces including those at the state level were used, and, in each case, for what reason.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) In May 2006, the Chief of the Defence Force directed the forward deployment of Service Police Investigators in direct support of Operations **Catalyst** (Iraq), **Slipper** (Afghanistan), **Astute** (Timor Leste) and **Anode** (Solomon Islands). Three Investigators have been deployed to the Middle East Area of Operation; two in Iraq and one in Afghanistan, and one each to Timor Leste and the Solomon Islands.

These Investigators represent a ‘lead-in’ capability providing an immediate response to any incidents. Where additional or specialist investigative support, such as a higher-level forensic capability, is required, the concept of ‘reach back’ is used where this support is called forward from Australia.

(2) These Investigators were not deployed in response to specific incidents or investigations, but to provide an essential full-time capability on the ground. Since their deployment, Investigators in the Middle East Area of Operations, Timor Leste and the Solomon Islands have completed a number of investigations as well as providing support to other agencies including the Australian Federal Police (AFP), allied Military Police and host-nation police.

(3) As recommended by the Defence Investigative Capability Audit, liaison is underway with the AFP with a view to them providing specialist support when required both in Australia and to deployed areas, beyond that resident in the Service Police organisation.

At this time, no incident has occurred that has required the calling forward of additional Service Police Investigators from Australia, nor has any incident occurred since the investigation into the death of Private Jacob Kovco that has required the deployment forward from Australia of any AFP, State or Territory police in support of Australian Defence Force investigations.
Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:

(1) For the 2005-06 financial year, how many of the 447 fraud investigations resulted in: (a) criminal action; (b) disciplinary action; or (c) administrative action.

(2) By type, what was the categorisation of all proven fraud cases.

(3) How many offenders were: (a) dismissed; (b) demoted; and/or (c) fined.

(4) (a) Why is the level of recovery so poor; and (b) what action is being undertaken to increase it.

(5) What proportion of fraud investigations were commenced as a result of: (a) denunciations; and (b) routine checking and audit processes.

(6) By value, what was the range and distribution of all proven fraud cases.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) 17. (b) 114. (c) 48.

(2) Of the 179 actions taken against suspects, 14 were not proven (the suspect was found not guilty) and 165 were proven as follows:

- financial fraud – 12;
- physical asset fraud – 44;
- benefit fraud – 90; and
- disruption and/or damage to service delivery fraud – 19.

(3) (a) 5. (b) 3. (c) 45.

In the remaining 126 actions, a range of administrative and other disciplinary measures were taken, such as: detentions, reductions of privileges and reprimands. As a further consequence of some of these actions, some offenders chose to resign.

(4) (a) There are two main factors that adversely influence the rate of recovery.

- Many investigations do confirm that there has been a loss to the Commonwealth, but due to insufficient evidence and often the lack of a suspect, cases cannot be proven, with the result that recoveries are not possible.

- Serious frauds that have resulted in successful convictions often establish significant reparation amounts. However, subsequent recovery from a convicted offender who may have been imprisoned, is unemployed, has few assets and may have been (or is) bankrupt, can be very difficult. Even when a recovery arrangement has been successfully entered into between Defence and the offender it is often many years (given the offender’s circumstances) before the full amount owed can be recovered.

(b) Improving the recovery rate forms part of the overall fraud prevention and control plan. Through training, encouragement and enforcement measures Defence personnel are kept informed on how to identify, prevent and report on fraud matters. From this, earlier detection of fraud and/or fraud risks both reduces the potential loss to Defence and increases the likelihood of obtaining successful fraud convictions and recoveries.

Defence is constantly improving its service police, fraud and security investigator training and work practices with a view to improving its capacity to investigate and prosecute fraud incidents and investigations.

QUESTIONS ON NOTICE
In relation to more significant cases where substantial recoveries are sought, Defence builds on the experience gained from these often complex cases and constantly revises strategies to improve the recovery rate. Due to the often protracted period over which some recoveries are affected, Defence expects that it will take several years before the full effect of these new strategies (in terms of higher recovery rates) will be realised.

(5) (a) 56 per cent. (b) 44 per cent.

(6)

<table>
<thead>
<tr>
<th>Range of values</th>
<th>Number of Proven Fraud Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than $20,000</td>
<td>4</td>
</tr>
<tr>
<td>$15,000 to $20,000</td>
<td>2</td>
</tr>
<tr>
<td>$10,000 to $15,000</td>
<td>6</td>
</tr>
<tr>
<td>$5,000 to $10,000</td>
<td>3</td>
</tr>
<tr>
<td>$1,000 to $5,000</td>
<td>14</td>
</tr>
<tr>
<td>Less than $1,000</td>
<td>136</td>
</tr>
</tbody>
</table>

Defence Materiel Organisation
(Question No. 2883)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:

(1) With reference to Defence Materiel Organisation revenue shown at Table 2.1 on pages 81 and 82 of the department’s annual report for 2005-06, what was the purpose and intent of the anticipated revenue from foreign governments.

(2) With reference to Air 5402 (air refuelling), what was the critical aspect of the contract negotiated that caused delay to the project.

(3) With reference to the four performance bonuses paid, averaging $37,736: (a) what was the value of each payment; (b) on which projects did each of the recipients work; (c) what are the specific provisions of each Australian Workplace Agreement which provided such a generous outcome; and (d) what was the salary of each recipient.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) This revenue relates to management and procurement services performed by Defence Materiel Organisation on behalf of foreign governments.

(2) Prior to commencement of the negotiations for the air to air refuelling through life support (TLS) contract under Project AIR5402, it was agreed that there were five significant issues that needed to be negotiated and agreed, between Qantas and the Commonwealth, before the TLS contract negotiations could be concluded. The five issues were liability, price, the performance management system, the transfer of obligations from acquisition to TLS, and the TLS scope of work.

It is expected the negotiations will be completed in the near future.

(3) (a) (b) and (d) Information is not provided as it would identify individual officers. (c) The inclusion of a performance pay clause in an individual’s Australian Workplace Agreement must be endorsed by the Defence Materiel Organisation Remuneration Committee. Those Senior Executive Service employees with a performance pay clause in their Australian Workplace Agreement are eligible for performance bonuses at the discretion of the Chief Executive Officer, if assessed that they have demonstrated high levels of performance in meeting their key expected results.

QUESTIONS ON NOTICE
Defence: Laptop Computers  
(Question No. 2885)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:

(1) (a) How many laptop computers are currently in use by the department; and (b) of those, how many are: (i) owned by the department, and (ii) leased from the department’s outsourced provider.
(2) What is the annual cost to the department for the provision of laptop computers.
(3) What is the process of gaining access to the use of laptop computers.
(4) As at 30 October 2006, how many laptop computers were in storage, otherwise not being used, or awaiting maintenance.
(5) For each of the years 2003, 2004, 2005 and 2006 to date, how many laptop computers have been lost.
(6) (a) How many departmental staff and Australian Defence Force personnel have a laptop on issue as well as a dedicated desk top Personal Computer; and (b) how many laptops are of the dockable type.
(7) How many laptops are currently allocated to ministerial offices.
(8) Was Brigadier Cosson issued with a laptop computer for her inquiry into the bungled return of Private Kovco’s body; if not: (a) was one requested and declined; and (b) what was the reason for declining the laptop.
(9) Can answers also be provided to paragraphs (1) to (6) in relation to the Defence Materiel Organisation.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) Approximately 37,500 (Administrative – 28,000; Military deployable – 9,500) including not-in-use items covered in part (4). (b) (i) 37,500. (ii) Nil.
(2) Approximately $10 million to $15 million per annum, depending on obsolescence issues. Defence aims to change-over about 25 per cent of the laptop fleet per year.
(3) The majority of laptop computers for administrative use in Defence and the Defence Materiel Organisation (DMO) are centrally provisioned by Defence and issued to users on either a short-term (with supervisor endorsement) or long-term loan (subject to financial delegate approval) through regional centres. For other laptop purchases, the assets are centrally registered, but separately administered by the relevant accounting unit. DMO manages acquisition and distribution of military deployable laptops in accordance with military supply chain processes and the requirements of the Standard Defence Supply System.
(4) As at 2 November 2006, there were 9,800 laptops listed as serviceable-spare or awaiting repair/disposal. The majority of these are related to the implementation of laptop encryption policy. They are either serviceable assets ready for exchange for older laptops unable to support encryption, or exchanged laptops awaiting disposal. The laptop encryption project is due for completion by March 2007.

<table>
<thead>
<tr>
<th>Year</th>
<th>Laptops</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>25</td>
</tr>
<tr>
<td>2004-05</td>
<td>26</td>
</tr>
</tbody>
</table>
(6) (a) This data would be difficult to compile as it requires consolidation of data from manually kept unit loan registers across Defence. Nevertheless, a large proportion of personnel with a laptop on loan would also have access to a desktop workstation. Most administrative laptops are in loan pools available for temporary issue, or are located in classrooms in training establishments. (b) All laptops have docking station capability. However, very few are provided with a docking station. Docking stations (because of their low value) are not recorded individually in an asset register.

(7) 24.

(8) Brigadier Cosson was issued with a laptop on her promotion to Brigadier. The laptop was not specifically issued for the Private Kovco inquiry. (a) No. (b) Not applicable.

(9) DMO is supplied with administrative laptops as covered in the answer to part (3). Numbers have been included in responses to parts (1) to (6) above.

**Australian Defence Force: Alcohol**

(Question No. 2886)

**Senator Mark Bishop** asked the Minister representing the Minister for Defence, upon notice, on 29 November 2006:

(1) What is the current price of a middy of light beer at both the officers’ mess and the sergeants’ mess at each Australian Defence Force (ADF) base in Australia.

(2) What was the total value of alcohol supplied by all messes in Australia for the 2005-06 financial year.

(3) For each of the ADF messes, what is the total: (a) gross cost; and (b) level of cost recovery excluding the value of the premises.

**Senator Ellison**—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) Where light beer is sold in Australian Defence Force Officers’ and Sergeants’ Messes, a middy costs on average $1.00.

(2) and (3) In relation to the total gross cost of alcohol purchased in 2005-06, this is at no cost to the Commonwealth as the alcohol supplied by Messes is through the independent operations of clubs and committees.

Note: Other ranks messes do not supply alcohol.

**Contraception**

(Question No. 2897)

**Senator Allison** asked the Minister representing the Minister for Health and Ageing, upon notice, on 30 November 2006:

(1) Is the Minister aware of the results of a recently released study by the University of South Australia, conducted by Dr Helen Calabretto and her colleagues, that found: that only 38 per cent of university students knew that emergency contraception was available over-the-counter, 75 per cent of young people believed that emergency contraception can only be used the morning after rather than within 120 hours, and at least half of those surveyed confused it with RU486 and believed it caused an abortion.
(2) Does data available to the Government suggest that this study reflects the knowledge on, and use of, emergency contraception within the general population.

(3) Does the Government consider that the lack of knowledge of emergency contraception is a barrier to its use.

(4) Given the rate of unintended pregnancy in Australia, does the Minister believe that emergency contraception is under-utilised.

(5) What steps, if any, does the Government propose to take to improve knowledge about, and use of, emergency contraception.

(6) Has the Government considered allowing emergency contraception to be advertised to the general public.

Senator Santoro—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Yes, the Minister is aware of media reports of this study, noting that the results of the study have not been formally released and Dr Calabretto’s manuscript reporting on the study is currently under review for journal publication.

(2) Research in this area is limited and data available to the Government does not enable a conclusion to be drawn as to the applicability of this study to the general population.

(3) Awareness of the availability and use of emergency contraception is only one factor in a woman’s decision about whether to use this method.

(4) There is insufficient data available about how different factors combine to influence a woman’s use, or lack of use, of emergency contraception in relation to the risk of an unintended pregnancy. It is not, therefore possible to draw evidence-based conclusions about whether emergency contraception is under-utilised and the relationship between the use of this method and unintended pregnancy rates.

(5) At this stage, the Government has made no decisions in relation to improving knowledge about, and use of, emergency contraception. The Government currently provides funds to the states and territories for family planning activities, including education, under the Public Health Outcome Funding Agreements (PHOFAs). The Government has also made funds available through the Fourth Pharmacy Agreement for improved counselling for dispensing of emergency contraception.

(6) No. The circumstances under which individual medicines are accessible by consumers are determined through a classification process known as scheduling. Under the Therapeutic Goods Act 1989 (the Act), decisions on the classification of medicines such as the emergency contraception drug, levonorgestrel, and whether the drug can be advertised to the general public are the responsibility of the National Drug and Poisons Schedule Committee (NDPSC). There is no Government power to intervene in these decisions, other than to refer matters to the NDPSC for consideration. It is open to the sponsors of levonorgestrel to apply to the NDPSC for a change in the scheduling status of the drug to enable it to be advertised directly to consumers. It is also open to other interested parties to make an application to the NDPSC. Such parties include Australian, state and territory government departments or agencies, industry, professionals, healthcare practitioners and consumers. All scheduling proposals must be considered by the NDPSC in accordance with the Act and are subject to public consultation procedures as prescribed in the Therapeutic Goods Regulations 1990. The Therapeutic Goods Administration is not able to compel a sponsor or interested party to submit an application seeking rescheduling of a medicine.
Defence: Export Approvals
(Question No. 2904)

Senator Allison asked the Minister representing the Minister for Defence, upon notice, on 1 December 2006:

With reference to the export of weapons and military equipment for the 2005-06 financial year:

(1) By value, what were the largest 200 defence export approvals.

(2) What are the names of the companies that were involved in each of these contracts.

(3) To which countries did each of these approvals refer.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (2) and (3) Details of the largest 200 export approvals during the 2005-06 financial year, by value, for defence goods that are included in Part 1 of the Defence and Strategic Goods List published under the Customs Act 1901, are provided. This includes non-military lethal goods, such as non-military firearms and ammunition, as well as commercial explosives. The approvals include temporary exports for demonstration and evaluation purposes, and returns to manufacturers for warranty and other repairs.

Consistent with responses to previous questions of this type, the names of the companies have not been released due to the Commercial-in-Confidence nature of the information.

<table>
<thead>
<tr>
<th>Nature of Goods</th>
<th>Destination</th>
<th>Value (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military vehicles</td>
<td>Canada</td>
<td>51,600,000</td>
</tr>
<tr>
<td>Fire control systems</td>
<td>United States of America</td>
<td>36,000,000</td>
</tr>
<tr>
<td></td>
<td>(USA)</td>
<td></td>
</tr>
<tr>
<td>Military training equipment</td>
<td>India</td>
<td>32,000,000</td>
</tr>
<tr>
<td>Fire control systems</td>
<td>USA</td>
<td>28,560,000</td>
</tr>
<tr>
<td>Fire control systems</td>
<td>United Arab Emirates</td>
<td>28,326,705</td>
</tr>
<tr>
<td>Military training equipment</td>
<td>South Africa</td>
<td>11,500,000</td>
</tr>
<tr>
<td>Military firearms and/or components</td>
<td>France</td>
<td>8,600,000</td>
</tr>
<tr>
<td>Military technology</td>
<td>Malaysia</td>
<td>6,850,000</td>
</tr>
<tr>
<td>Body armour</td>
<td>United Kingdom</td>
<td>6,057,670</td>
</tr>
<tr>
<td>Military aircraft parts &amp; components</td>
<td>USA</td>
<td>5,510,000</td>
</tr>
<tr>
<td>Military software</td>
<td>Spain</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Military underwater detection devices</td>
<td>United Kingdom</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Fire control systems</td>
<td>Netherlands</td>
<td>4,292,874</td>
</tr>
<tr>
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<td>United Kingdom</td>
<td>10,789</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>USA</td>
<td>10,500</td>
</tr>
<tr>
<td>Military training equipment</td>
<td>Germany</td>
<td>10,422</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>Russia</td>
<td>10,300</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>USA</td>
<td>10,250</td>
</tr>
<tr>
<td>Body armour</td>
<td>United Kingdom</td>
<td>10,000</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>USA</td>
<td>10,000</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>China</td>
<td>10,000</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>China</td>
<td>10,000</td>
</tr>
<tr>
<td>Military electronic equipment</td>
<td>United Kingdom</td>
<td>10,000</td>
</tr>
<tr>
<td>Non-military firearms and/or components</td>
<td>Pakistan</td>
<td>10,000</td>
</tr>
</tbody>
</table>

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### Cervical Cancer Vaccine

*(Question No. 2907)*

**Senator Allison** asked the Minister representing the Minister for Health and Ageing, upon notice, on 1 December 2006:

1. What steps, if any, does the Government propose to take in educating the public about the Human Papilloma Virus (HPV) vaccine.
2. Aside from cervical cancer, what other cancers have been associated with HPV.
3. Is the Minister aware that infection rates for HPV are as common in men as women.
4. Does data available to the Government suggest that the HPV vaccine is effective in providing protection against HPV in boys.
5. Is the HPV vaccine approved for use in boys in Australia or overseas; if so: (a) given that genital HPV is transmitted mainly by direct genital contact during intercourse, did the Government consider that vaccinating boys would be an important part of providing ‘herd immunity’; if not, why not; and (b) will any education campaign on the HPV vaccine acknowledge the potential benefits for vaccinating boys.
6. What would be the cost to the Commonwealth of providing the HPV vaccination to both girls and boys.
Senator Santoro—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) As part of the National HPV Vaccination Program, the Government will be utilising an extensive communications and education campaign aimed at immunisation providers (including general practitioners), parents/guardians, and females 12-26 years of age. In addition, information will be available to assist schools in preparation for the school-based program. Special attention will be given to developing appropriate materials for Indigenous females and females from non-English speaking backgrounds.

The Government will use existing information distribution mechanisms through state health and education departments, schools, professional organisation newsletters, magazines, newspapers and direct mail to deliver information on the new vaccination program.

(2) Other types of cancers that have been associated with infection with HPV include vulval, vaginal, anal, penile, oral, oropharyngeal and tonsillar cancers, and some head and neck squamous cell cancers.

(3) Yes.

(4) Results of studies determining if the immune response in HPV vaccinated males is protective of resultant disease are not yet available.

(5) Australia is the only country in which the vaccine has been registered for use in males 9-15 years of age for the prevention of infection caused by HPV types 6, 11, 16 and 18.

(a) As there are no studies yet available demonstrating the efficacy of HPV vaccine in males, nor whether vaccination of males will prevent transmission of infection from males to females, there is currently no evidence to suggest vaccination of males will lead to ‘herd immunity’ benefits.

(b) At present, there is no evidence to support the vaccination of males as a disease prevention measure. Communication materials will explain this.

(6) Vaccinating the same cohort of males as the Government has agreed to fund for females would double the vaccine costs.

Indigenous Affairs: Counselling Services
(Question No. 2912)

Senator Chris Evans asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 December 2006:

(1) What is the role and activities of Bringing Them Home (BTH) Counsellors.

(2) (a) What are the respective roles of and differences between Link Up Services and Social and Emotional Wellbeing Centres; and (b) what is their relationship with the BTH Counsellors.

(3) By state and territory, for each of the financial years 2000-01 to 2006-07 to date, how many BTH Counsellors were there.

(4) By state and territory, for each of financial years 2000-01 to 2006-07 to date, how many Link Up Services operated.

(5) By state and territory, for each of the financial years 2000-01 to 2006-07 to date, how many Social and Emotional Wellbeing Centres operated.

(6) For each of the financial years 2000-01 to 2006-07 to date, how much funding was allocated and expended on: (a) BTH Counsellors; (b) Link Up Services; and (c) Social and Emotional Wellbeing Centres.
(7) Are there any data on the number of clients that each BTH Counsellor or Link Up Service has; if so, for each counsellor or service, what is the: (a) total number of clients; and (b) the approximate date the assessment was made.

(8) Has the department conducted any evaluation or assessment of client satisfaction with the BTH Counsellors, Link up Services or Social and Emotional Wellbeing Centres; if so, in each case: (a) what was the date of the evaluation; (b) what was the subject of the evaluation; (c) was client satisfaction measured; and (d) can a copy be provided of the evaluation report.

Senator Santoro—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Bringing Them Home (BTH) Counsellors provide counselling to individuals, families and communities affected by past practices regarding the forced removal of children from Aboriginal and Torres Strait Islander families. The counsellors have a broad clientele as they respond to the needs of those removed, those who were left behind, and the children, grandchildren and relatives of all those affected by family separation practices.

(2) (a) Link Up Services provide support, guidance and assistance to Aboriginal and Torres Strait Islander people forcibly separated from their families and communities as a result of past governments’ laws, policies and practices, to trace and reunite with their families. The services provided include:

- searching for and locating relevant records and files pertaining to the clients and/or their families;
- obtaining information on behalf of clients;
- providing general emotional support and guidance;
- referring clients to professional counsellors, if needed; and

management of reunions (throughout the pre-reunion, reunion and post-reunion phases) of Aboriginal and Torres Strait Islander people who have been successful in tracing and locating living relatives from whom they were separated.

The Social and Emotional Wellbeing Regional Centres provide training, support and planning assistance for organisations and individuals working in Indigenous social and emotional wellbeing. They also deliver training and provide professional support for Aboriginal mental health workers, BTH Counsellors and Link Up workers.

(b) Link Up services are able to refer clients who require counseling support to BTH Counsellors. The role of Social and Emotional Wellbeing Regional Centres includes facilitating training and providing professional support to both Link Up workers and BTH Counsellors.

(3) Information on the actual number of BTH counsellors employed is available for the four years 2001-02 to 2004-05. OATSIIH is currently in the process of collecting data for 2005-06. The number employed as at 30 June each year was as follows:

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT &amp; NSW</td>
<td>20</td>
<td>18</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>NT</td>
<td>20</td>
<td>20</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Qld</td>
<td>19</td>
<td>21</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>SA</td>
<td>-*</td>
<td>12</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Vic &amp; Tas</td>
<td>11</td>
<td>20</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>WA</td>
<td>21</td>
<td>20</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>111</td>
<td>108</td>
<td>104</td>
</tr>
</tbody>
</table>
* S.A. figures were not reported in 2001-02 as not all services provided information on the number of counsellors they employed.

(4) The number of Link Up Services operating were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NSW</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NT</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Qld</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SA</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Tas</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Vic</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>WA</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>11</td>
</tr>
</tbody>
</table>

(5) The number of Social and Emotional Wellbeing Regional Centres operating were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NSW</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>NT</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Qld</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>SA</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Tas</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vic</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>WA</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
</tbody>
</table>

(6) Funding was allocated and expended on: (a) BTH Counsellors; (b) Link Up Services; and (c) Social and Emotional Wellbeing Centres as follows.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) BTH Counsellors</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>$12.22 million</td>
<td>$11.87 million**</td>
<td>$11.11 million</td>
<td>$1.97 million</td>
</tr>
<tr>
<td>(b) Link Up Services</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>$4.15 million</td>
<td>$4.17 million</td>
<td>$4.55 million</td>
<td>$0.52 million</td>
</tr>
<tr>
<td>(c) SEWB Centres</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>NA*</td>
<td>$3.42 million</td>
<td>$3.72 million</td>
<td>$5.77 million**</td>
<td>$0.95 million</td>
</tr>
</tbody>
</table>

NA* Data for these years is not available due to the historical constructs of the programs and the complexity of the funding arrangements.

** 2005-06 expenditure figures are indicative, due to the way the programs were historically structured.

(7) (a) Data is not collected on the number of clients of BTH Counsellors. Data is available on the total number of client contacts. A “client contact” is defined as where “a client has contact with the BTH Counsellor for the provision of care/information”. A single client may have a number of contacts with a counsellor in any given year.

The total number of client contacts by BTH Counsellors over the period 2001-02 to 2004-05 were as follows:
(b) Data to determine the date of assessment and the number of client contacts is not reliable and is therefore unavailable for Link Up services.

(8) The Department has not previously conducted any evaluation or assessment of client satisfaction with the BTH Counsellors, Link Up services or Social and Emotional Wellbeing Regional Centres. However in 2006 the Department commissioned independent social research consultants Urbis Keys Young to conduct an evaluation of all of these programs.

(a) The evaluation commenced in March 2006 and a report of the review is due at the end of February 2007.

(b) The national evaluation of the social health programs aims to assess the impact of the programs on their target groups; assess the likely future demand for their services; gain insight into how effectively the programs are being delivered; strengthen cooperation and coordination among the delivery agencies; and identify and promote best practice.

(c) One component of the evaluation involves consultation with clients or potential clients of the services.

(d) Our intention is to make a version of the report publicly available. It is possible that, due to the personal nature of some of the information the full report may not be publicly released.

Avalon Airport

(Question No. 2913)

Senator O’Brien asked the Minister representing the Minister for Defence, upon notice, on 4 December 2006:

With reference to aircraft movements at Avalon Airport in Victoria, for the years 2003, 2004, 2005 and 2006 to date:

(1) How many aircraft movements have there been, broken down by training, commercial passenger, freight and recreational flights.

(2) How many complaints have been received in relation to aircraft noise.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) Training Flights: During 2006, there was a total of 211 hours of training at Avalon Airport. This is an average of 4 hours per week. This is broadly the trend of training for each year, for 2003, 2004, 2005 and 2006.

Passenger flights:

<table>
<thead>
<tr>
<th>Year</th>
<th>Movements (approximately)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>400</td>
</tr>
<tr>
<td>2004</td>
<td>2,184</td>
</tr>
<tr>
<td>2005</td>
<td>5,118</td>
</tr>
<tr>
<td>2006</td>
<td>5,840</td>
</tr>
</tbody>
</table>
Freighter Aircraft:

<table>
<thead>
<tr>
<th>Year</th>
<th>Movements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>14</td>
</tr>
<tr>
<td>2004</td>
<td>14</td>
</tr>
<tr>
<td>2005</td>
<td>18</td>
</tr>
<tr>
<td>2006</td>
<td>22</td>
</tr>
</tbody>
</table>

Recreational Flights:

<table>
<thead>
<tr>
<th>Year</th>
<th>Movements per year (approximately)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1,460</td>
</tr>
<tr>
<td>2004</td>
<td>2,190</td>
</tr>
<tr>
<td>2005</td>
<td>2,190</td>
</tr>
<tr>
<td>2006</td>
<td>2,190</td>
</tr>
</tbody>
</table>

(2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>32</td>
</tr>
<tr>
<td>2004</td>
<td>17</td>
</tr>
<tr>
<td>2005</td>
<td>38</td>
</tr>
<tr>
<td>2006</td>
<td>156</td>
</tr>
</tbody>
</table>

Note: In 2006, there were 52 noise complaints in January and 73 in February, which were mostly from the same person.

Avalon Airport

(Question No. 2914)

Senator O'Brien asked the Minister representing the Minister for Defence, upon notice, on 4 December 2006:

With reference to Jetstar and Avalon Airport:

(1) Was any consultation undertaken with residents regarding the expanding role of Avalon Airport; if so, what consultation was undertaken; if not, why not.

(2) What assistance, if any, has been offered to residents for noise abatement or sound proofing treatments.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) As part of the Avalon Airport Preliminary Master Plan, Avalon Airport Australia Pty Ltd was required to undertake extensive consultation with interested parties. One element of this consultation was a public forum conducted in August 2000 to present the future development concepts of the airport. A three month community consultation period was also provided, with the documents being held at the City of Greater Geelong, City of Wyndham and Avalon Airport for perusal by any interested parties.

In 2004, prior to Jetstar commencing flights from Avalon Airport, a brief was presented by Avalon Airport Australia Pty Ltd at the local cricket club for any interested parties. There were also several meetings held with the local council over the period of January to June 2004 with regards to the Jetstar operation.

(2) None.
Carers

(Question No. 2950)

Senator McLucas asked the Minister for Human Services, upon notice, on 18 December 2006:

For each of the years 2003, 2004, 2005 and 2006, how many recipients of Carer Allowance and Carer Payment were there who were under: (a) 17 years old; and (b) 18 years old.

Senator Ian Campbell—The answer to the honourable senator’s question is as follows:

<table>
<thead>
<tr>
<th>Carer Allowance customers by age</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 17 years (0-16 years inclusive)</td>
<td>152</td>
<td>182</td>
<td>219</td>
<td>224</td>
</tr>
<tr>
<td>Under 18 years (0-17 years inclusive)</td>
<td>385</td>
<td>459</td>
<td>489</td>
<td>521</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Carer Payment customers by age</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 17 years (0-16 years inclusive)</td>
<td>74</td>
<td>94</td>
<td>101</td>
<td>99</td>
</tr>
<tr>
<td>Under 18 years (0-17 years inclusive)</td>
<td>246</td>
<td>272</td>
<td>292</td>
<td>303</td>
</tr>
</tbody>
</table>

Customer numbers are a point in time snapshot data.

The data for Carer Payment is for December of the respective year.

The data for Carer Allowance is:

• 2 January 2004 for 2003;
• 7 January 2005 for 2004;
• 23 December for 2005; and
• 22 December for 2006.

To prepare this answer it has taken 5 hours and 41 minutes at an estimated cost of $305.

Senopati Nusantara

(Question No. 2957)

Senator Bob Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 11 January 2007:

With reference to the sinking on 30 December 2006 of the Indonesian ferry, Senopati Nusantara, which claimed hundreds of lives:

(1) (a) What offers of help were made by Australia; and (b) when.
(2) How soon after the disaster did the Government become aware of the tragedy.
(3) When did the Minister become aware of the tragedy.
(4) What immediate action was taken by the Government to provide search and rescue assistance.
(5) As news of further potential survivors evolved in the time following the immediate rescue period, what follow-up action was taken by the Government to provide search and rescue assistance.
Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:

(1) Indonesia did not request assistance.
(2) 31 December 2006
(3) 31 December 2006
(4) Indonesia did not request assistance.
(5) Indonesia did not request assistance.