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RADIO BROADCASTS

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- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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
Members of the Senate

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

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

Prime Minister
Minister for 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

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

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

Minister for the Arts and Sport
Senator the Hon. George Henry Brandis SC

Minister for Community Services
Senator the Hon. Nigel Gregory Scullion

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

Special Minister of State
The Hon. Gary Roy Nairn MP

Minister for Vocational and Further Education
The Hon. Andrew John Robb MP

Minister for Ageing
Senator the Hon. Santo Santoro

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

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

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

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

Assistant Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Assistant Minister for the Environment and Water Resources
The Hon. John Kenneth Cobb MP

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

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

Parliamentary Secretary to the Minister for Defence
The Hon. Peter John Lindsay MP

Parliamentary Secretary to the Minister for Transport and Regional Services
The Hon. De-Anne Margaret Kelly MP

Parliamentary Secretary to the Minister for Immigration and Citizenship
The Hon. Teresa Gambaro MP

Parliamentary Secretary to the Prime Minister
The Hon. Anthony David Hawthorn Smith MP

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

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

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

Parliamentary Secretary to the Minister for Foreign Affairs
The Hon. Gregory Andrew Hunt MP
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<td>Julia Eileen Gillard MP</td>
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<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy</td>
<td>Senator Christopher Vaughan Evans</td>
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<td>Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology</td>
<td>Senator Stephen Michael Conroy</td>
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<td>Anthony Norman Albanese MP</td>
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<td>The Hon. Archibald Ronald Bevis MP</td>
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<td>Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research</td>
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<td>Shadow Minister for Ageing, Disabilities and Carers</td>
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

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

Second Reading

Debate resumed from 27 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 TAFE 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) (9.31 am)—Before time ran out last night, I was lamenting the fact that a succession of Labor state governments around Australia had abolished the old technical colleges in the 1980s. This reflected the educational fad of the time that everyone should complete year 12 and go to university. The view then was that you were a failure if you had not completed year 12 and gone to university. The coalition wants to see trades restored to their rightful place as an educational option as valid as a university degree.

I mentioned last night that we had the spectacle in this chamber of Senator Carr trying to mount an attack on the technical colleges—and it was an extraordinary sight. But what was Senator Carr’s knockout punch? What was Senator Carr’s killer political point on technical colleges? It was that the government did not consult the states on the establishment of technical colleges, that it was our job to consult on the establishment of tech colleges with those states that had closed the old tech schools and that it was our job to discuss with the states that had totally abrogated their responsibilities how we were going to do their job for them. It was a perverse sort of logic. The truth is that successive state Labor governments turned their backs on technical and further education. They sent young people the message: if you have not completed year 12 and university, you are a failure. They systematically stigmatised the traditional trades.

The establishment of these Australian technical colleges has been remarkable. These colleges are being delivered ahead of schedule. But what do we see from Labor?
They are walking both sides of the street again. The member for Melbourne said in November last year, and got it absolutely right:

... we’ve managed to alienate countless young people from learning through an excessive focus on university entrance in schools.

He agrees with us that this country has placed too much emphasis on university degrees as the only worthy pathway of further education. That is why this government is establishing these Australian technical colleges, because we want to affirm the choice that many Australians want to take to study a trade. Lynne Kosky, the former Victorian minister for education, also admitted last year that the previous approach was wrong. She said:

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.

She was dead right.

Labor do not like these technical colleges. It is typical of their approach that they say that they support something but then they oppose every single measure that can help deliver it. They say that they support the trades and that they support skills but they oppose measures like the Australian technical colleges which can do something to help see those skills come to fruition. Likewise, Labor say we need to address our skills shortage, but when the government puts in place a comprehensive set of solutions, including these tech colleges and the $837 million Skills for the Future package, all they do is oppose us. If Australians want to know the truth about Labor, they should look at their record and at what they did in government and have done in opposition. The refrain is as true as ever it was: do not listen to what Labor say; look at what Labor do.

The new shadow education minister, Mr Smith, has made crystal clear what he really thinks about Australian technical colleges. He stated that his intention, if elected to government, would be to fold the Australian technical colleges back into the TAFE system of the states. The Labor Party want to resurrect failed policies. We all know what would happen if these tech colleges were handed to the states. Labor’s position is: the states closed the technical colleges, the coalition stepped in to fill the gap by creating new technical colleges, so let us hand the technical colleges back to the states that closed the tech colleges in the first place. What would the states do if these tech colleges were handed to them? We can only assume that they would close them as they did with their own tech colleges. As any good psychologist will tell you, the best predictor of future behaviour is past behaviour. If Labor pass these tech colleges to the states to run, the states will close them, because they have an aversion to this sort of choice and opportunity. These great institutions which we have established would be lost under Labor. We would lose the collaborative approach which now exists in these technical colleges between students and employers, where employers are allowed to influence the curriculum to ensure skills are tailored to meet the needs of the local region.

Labor have had nearly 11 years to come up with a comprehensive technical and further education policy. We know the Labor Party do not actually have policies anymore; they just have directions papers, which are just a series of motherhood statements, bereft of detail. In Mr Rudd’s and Mr Smith’s direction paper called ‘Education revolution’ you might expect to find at least a comprehensive discussion of technical and further education. This document is not policy, but it is something, you would expect. But how much of this 27-page document is dedicated

Senator McGauran—One?

Senator FIFIELD—No, Senator McGauran, not even a full page; it is a mere four paragraphs. It is a feeble effort. After 11 years in opposition, there are four paragraphs. In contrast, this government is delivering on its promise to the Australian people. We are establishing 25 Australian technical colleges. The ability to establish these colleges is only made possible because we have a strong and growing economy and because we have managed our finances well. It is only because we have been able to deliver nine budget surpluses. It is only because the coalition has been able to repay every single cent of Labor’s $96 billion debt. We are investing in education now because we have the capacity to do so. We have the economic environment which allows us to do these things for the Australian people. We used to have to find $9 billion per year just to pay the interest on Labor’s debt. That is one of the reasons why we can afford these tech colleges—because we do not have to find $9 billion every year just to pay Labor’s debt.

This is the clear difference between the coalition and Labor. On this side, we support choice and we support flexibility in education. We have a clear desire on this side of the chamber to reinstate the status of trade qualifications to their rightful place alongside university degrees. We want to give choice and opportunity to young Australians, and Australian technical colleges will do just that.

Senator GEORGE CAMPBELL (New South Wales) (9.39 am)—The Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 provides an increase in funding of $112 million over the next three years. Labor has supported funding continuously to enhance our vocational education and training skills and will reluctantly support this bill. I say ‘reluctantly’ because this is one of the poorest policy options we have seen introduced in this parliament. It is a policy option that has done nothing and will do nothing to contribute to dealing with the massive skills shortage that we face in this country.

This could and should have been achieved by funding the TAFE sector and expanding its capacity to train greater numbers of apprentices. This government has failed abysmally to address the skills shortages in this country. The Prime Minister announced that ‘boosting the esteem and prestige of technical and further education’ would be a key goal if he were to win another term in office. He has had four terms. He has suddenly woken up to the fact that in the next term he should boost spending on technical and further education. Where has he been for the past 11 years? Where was he in 1995 before he came into office—where was the policy then? I will come to what the policy of this government was in respect of technical and further education in a minute. He went on to say:

I still remain very committed to boosting the esteem and prestige of technical and further education in this country. I think we did make a terrible mistake a generation ago on this, but the Australian technical colleges are a good start.

The Prime Minister said it; I did not say it. He said, ‘I think we did make a terrible mistake a generation ago on this, but the Australian technical colleges are a good start.’ They are not even a drop in the ocean.

Mr Robb in the other place yesterday said that in coming years more than 60 per cent of jobs would require vocational and technical qualifications, yet only 30 per cent of the working population had those qualifications. He then sought in his answer to put the blame on the former Labor government. We have been out of office for 11 years, but they
blame the former Labor government for the problem. What absolute rot! This government has had 11 years to address this problem and has done nothing. They made the announcement back in 2004 to introduce 25 technical colleges. How many are up and running?

Senator McGauran—Twenty!

Senator GEORGE CAMPBELL—I think about five—nowhere near 20, Senator McGauran. But as usual you open your mouth and all sorts of dribble falls out. They have had nearly three years since re-election to get these ATCs up and running, and that has been an absolute policy failure. But how typical is the response of the government? If they introduce something and it works, they accept the responsibility for it. If they introduce something and it does not work, they shift the blame back onto the Labor government—sometimes back as far as the early eighties. It is absolute nonsense. You have been here long enough to be able to take the blame for everything that happens in this country in the current time, for which you are responsible.

The reality is that the Howard government cannot escape its responsibility for the current skills shortages. You failed to identify the crisis early enough, despite the fact that as early as 2003 the Senate Employment, Workplace Relations and Education References Committee produced a report called Bridging the skills divide. We identified some 52 recommendations on issues that needed to be addressed if we were going to urgently deal with the skills crisis—and you ignored it. You ignored all of the recommendations. You also failed to provide essential opportunities for Australians to access vocational education and training.

And what did you do when you came into office in 1996? What was one of the first acts of this government? To slice $240 million out of the TAFE sector—out of vocational education and training. It was one of your first acts in 1996. The lack of investment and the fact that that money was cut out of the system has seen something like 325,000 young people turned away from the TAFE system since you came to office. These young people have been denied an opportunity to get a technical education to be able to get into a trade and set themselves up for a proper and rewarding future. At the same time we have imported something like 300,000 skilled migrants. In fact, Australia is the only developed country to reduce public investment in vocational institutions and universities. According to the OECD, our public investment in education has fallen eight per cent since 1995. The OECD average is a 38 per cent increase. So, while other OECD countries have been increasing their expenditure on education, whether vocational or tertiary, what have we been doing? We have been cutting back: an eight per cent decrease against the 38 per cent increase for the rest of the OECD, and we are well behind in all of the international benchmarks.

Dr Peter Kell, from Wollongong university, has said:

A skills shortage is no accident when you underinvest for 10 years.

The numbers do not paint a pretty picture. The latest skills vacancy index produced by the Department of Employment and Workplace Relations shows that vacancies continue to rise. From February 2006 to February 2007, skilled vacancies rose by six per cent—in the automotive trades they rose by six per cent, in the food trades they rose by 21 per cent, in printing they rose by 36 per cent and in the wood and textile trades they rose by 49 per cent.

The Australian Industry Group, or AiG, estimates the shortage of skilled labourers will be in the order of 100,000 by 2010. So we
will be short of 100,000 tradespeople before
even one tradesperson comes out of the Aus-
tralian technical colleges. Even with this ad-
titional funding, these colleges will at best
train a maximum of 7,500 tradespeople, who
will not begin to graduate until between 2010
and 2012. The colleges will not deliver one
single tradesperson until 2010. That is sim-
ply not good enough. It is simply not good
enough when you know that we had an infra-
structure in place in this country through the
TAFE sector that was working collabora-
tively with the private sector—and I will
come to a couple of examples of that in a
minute—that could have been boosted and
utilised and could have readily dealt with the
skills shortages in an immediate sense. If
resources had been put into that sector of the
economy, then we would have many more
thousands of tradespeople out amongst the
industry now then we currently have. The
ATCs are, at the very best, a case of too little
too late.

Way back in 2003, in the *Bridging the
skills divide* report, we provided the govern-
ment with a set of sensible recommenda-
tions. Most of the recommendations were
supported by both sides of the parliament. I
think there might have been a reservation on
one or two by some of the coalition senators,
but in the main the report had the unanimous
support of the committee. Recommendation
34 really was a pointer to what could have
been achieved effectively at that time to deal
with the skills issue. Recommendation 34
was that the government should consider the
broader role that skills centres can play in
delivering and boosting the number of
skilled workers in our community. I have
been to some of these skills centres and they
are fantastic. The great irony is that two of
the best in the country are in the electorate of
the ex-minister. I do not think the ex-minister
actually walked from his office around the
corner to look at them or pay them a visit,
because, if he had, that is the route he would
have taken in dealing with the skills crisis.
He would not have wasted his time trying to
build something from the ground up that was
going to take so long to put in place.

The Construction Skills Trade Centre in
Brisbane is a terrific facility. It is supported
by the Building and Construction Industry
Training Fund in Queensland, the Queen-
sland Construction Training Fund, the Build-
ing Employees Redundancy Trust, the Queen-
sland Department of Employment and
Training and the Queensland Department of
Employment and Industrial Relations. Here
is a great example of a collaborative effort
between the private sector—that is, the
building industry employers—and the TAFE
sector. The TAFE college is actually located
on the site where the skills centre is located,
and it trains all of the apprentices for the
building industry, whether they be bricklay-
ers, carpenters, plumbers or whatever. But
they go beyond that: they even train the in-
dependent contractors in how to run their
businesses. They are operating an enormous
facility which is servicing the skills needs of
the construction industry in that area. And, as
I said, it happens to be in the former minis-
ter’s electorate. Another body in the same
electorate is Queensland TAFE’s terrific
Skills Tech campus at Sunnybank. Skills
Tech will be accommodating more than
11,000 students by the time the first trades-
person comes out of an ATC. That is all from
one centre—because they built on the exist-
ing resources that are already located in the
TAFE sector. They will have 11,000 stu-
dents, almost double what we will get out of
25 ATCs.

This is a practical solution by the Queen-
sland government, building on existing infra-
structure. Unlike the federal government,
they recognise what has worked and they
built it. As I said, Minister Hardgrave could
not even look around the corner from his
To learn from the facilities that were there. If he had looked, that is the route he would have taken. When you see those facilities, compared to the mess of the ATCs, you can understand why Gary Hardgrave was sacked as a minister and is now sitting on the back bench of the House of Representatives. That is a reflection of the failure of the government’s policy in this area.

Another facility is the Hunter Valley Training Company. They have something like 1,300 apprentices on their books. They have links to 800 companies in the region. They have a completion rate for their apprentices of 70 to 75 per cent, while the latest NCVER report shows the national average running at just 45 per cent. They are another collaborative operation between industry and unions and are getting results in the field. But they were also ignored. That specific example was also ignored. It was treated as though it did not exist. The view was that you had to build on a greenfield site.

Australian technical colleges were the most wasteful and inefficient solution that the Howard government could have dreamt up. The original proposal for the ATCs committed $289 million over the first three years. It was meant to deliver 25 colleges in areas of acute skills shortages with large youth populations. By the end of last year they had spent only $53.5 million and only five colleges were open, and at those colleges only 305 students were enrolled. One hundred and eighty of those students were enrolled at the Port Macquarie ATC before it became an ATC. So they were existing students at another facility that was given the title of ATC.

Let us look at what else the government have spent some of the cash on. They spent $20 million on advertising the ATCs. That $20 million could have trained 5,000 apprentice carpenters. They are also spending $24 million on changing the name of the failed New Apprenticeships program to Australian Apprenticeships—a really terrific policy announcement! That equates to another 6,000 apprentices that could have been trained in the field. So that is 11,000 apprentices they could have trained with the money they spent on advertising the existing system. Instead of consulting with states and industry, the government simply decided to go it alone. They announced the ATCs as a quick political fix, they established them outside the existing framework, they duplicated the TAFE infrastructure and they undermined the existing TAFE structure.

The increase of $112 million is a significant cost blow-out. During the last election campaign the Prime Minister announced: ‘The technical colleges are the centrepiece of our drive to tackle skills shortages and to revolutionise vocational education and training throughout Australia.’ Revolutionise it—well, they have certainly done that. They have demonstrated what a policy failure they are and how bereft the government are of any ideas for dealing with the challenges that this country currently faces.

Your answer to dealing with the skills shortages has been nothing short of a disaster and a monumental failure, and now you are demanding another $112 million of taxpayers’ money to put into this failed policy initiative. This brings the total to $456 million, and what is there to show for it? Virtually nothing: 300 young people being trained at five colleges right across the country. That would not even scratch the surface of the problem. That almost half a billion dollars could have been spent on improving and enhancing the existing VET framework, which would have been able to generate additional tradespeople relatively quickly within the existing structure. That is nearly 500 million wasted opportunities in schools, TAFE and industry partnerships.
It is time this government went. The lacklustre enrolments and delays in implementation show this policy for what it is: a political fix to a crucial issue of public policy. The estimated skills shortage by 2010 will be in the order of 100,000 people, according to the AiG, and these colleges, even with the existing funding, will at best train a maximum of 7,500 people. The political fix was announced in 2004, but we know that it will not deliver a single tradesperson until at least 2010. That is simply not good enough. It has done nothing to deal with what is a crucial issue for this country.

We have seen the government having to rely on importation of skilled labour through their temporary 457 visas and other mechanisms to try and deal with the skills shortage. You can deal with it in the short term in that way, but over the longer term it will simply bounce back and bite you. Labor does have positive policies to help overcome our nation’s skills crisis. We know that Australia’s economic prosperity cannot continue without extensive investment in the vocational education and training system. We need a systematic approach. Labor recognises the need for cooperation between the federal government and the states and territories. We also recognise the need to consult with industry to determine our skills needs for the future. Labor has always been and will continue to be committed to real investment in the vocational education and training sector. Our commitment to education at all levels has never wavered. Australia needs to be prepared for the challenges of the future. (Time expired)

Senator IAN MACDONALD (Queensland) (9.59 am)—Here is a really good news story: additional money being appropriated by this parliament for a program that has exceeded even the government’s expectations in its success. What do we get from the party that represents union bosses? Just criticism. If anyone was listening to the former speaker, I urge them to take with a very great deal of caution the statistics which he threw about. Some of the statistics used by the previous speaker just do not stand warranty. I know my colleague Senator McGauran, who will be participating in the debate later, will give some facts about that. I will give some facts from my experience at the new ATC in Townsville, which indicate that the previous speaker’s conclusions and figures are simply figments of his imagination and of the imagination of the party that represents union bosses in this parliament.

Senator George Campbell mentioned that $240 million had been slashed from the training budget when this government took office. I would not concede that that is correct, but there were many government programs that were looked at very carefully when this government came to power. Why was that so? Because this government had to find something in the order of $10 billion to fill up a black hole that the Labor Party had created and kept secret from the Australian public. This opposition represented union bosses in the previous parliament and, in a very skilful way, hid from the parliament and from the Australian public the fact that there was a $10 billion black hole in the budget. When a new government came to power, the first thing we had to do was fix that $10 billion black hole. That required some pruning and some careful consideration of some of the wasteful programs that had been adopted by the previous Labor government, and we had to save that money to get the books back in order. Once we had fixed up the $10 billion black hole of the previous government, we then had to address the $96 billion of borrowings by the previous government which were taking Australia down.

Senator George Campbell mentioned that vacancies for skilled labour have increased by six per cent in recent times. I am sure that
statistic is correct, but why is it so? It is because the Australian economy is experiencing unprecedented growth that does not come just by a quirk of nature. It comes by the very careful management by this government and by our Treasurer, Peter Costello, over 10 years. Our government has done an enormous amount of difficult work to get our economy where it is. The economy is where it is at the moment because of the skill of Liberal and National Party governments and because of the work of the Treasurer, Mr Costello, and of the whole government.

We are experiencing very significant positives at this time. Of course there are vacancies in the skills area; there are vacancies everywhere, which is quite unlike the last time that the Labor Party was in power. Senator George Campbell at that time was a union heavyweight—a man whom, if I recall correctly, even the former Labor Prime Minister described as having the jobs of 100,000 fellow Australians on his conscience. Senator Campbell now has the hide to criticise our government for the vacancies we have created—for the enormous number of jobs we have created—in the past 10 years. When Labor left office, the unemployment rate was around 12 per cent. It had been in that order for most of the time of the Labor administration—for most of those hard 13 years.

It was a Labor administration that had a history of claiming to look after the workers of our country. Twelve per cent of the workers of our country found themselves without jobs during the time of the Labor government. It became quite clear that the previous Labor government was not a government for workers; it was a government for union bosses and for all the rights and privileges that the unions and their bosses achieved for themselves at that time. It is no criticism but simply a statement of fact that if you look in this chamber, for example, a good 80 per cent of those who sit opposite have come to this chamber through the union movement as union bosses, as people who have taken advantage of union fees to get their places here.

Senator Sterle—you are a fair dinkum toser.

Senator IAN MACDONALD—I understand that the workers of Australia—and you might correct me if I am wrong, Senator Sterle—

Senator Sterle interjecting—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Senator Sterle, you will come to order!

Senator IAN MACDONALD—are being levied an extra $30 million to fight the Labor Party campaign, because the unions have no confidence in the Labor Party administration, and well can I understand that. The workers of Australia are being levied these additional funds, not for their own benefit but to run a political campaign to get more union hacks like Senator Sterle into this parliament, and that is the sort of opposition we have here—an alternative government that is interested in unions and union bosses, not in the workers.

Again I emphasise that when we took power 12 per cent of the workers that the Labor Party is supposed to represent were unemployed. Under this government those unemployment figures have been slashed to a stage where we now have almost full employment. We have vacancies in every field because the economy is going gang busters. It is going gang busters because of the work of Peter Costello and this government in the last 10 years. That work has allowed us to pay off Labor’s $10 billion black hole and to pay off the debt of $96 billion that the Labor Party ran up when it was in government. To have the previous speaker come into this chamber and blame this government for slicing some programs in 1996 is just hypocrisy in its highest form.
As I said, this is a good news story, but all we get from the party for the unionist leaders is criticism, nitpicking and more criticism. If they looked at the facts, they would understand that the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 before us today demonstrates very clearly the success of the Australian technical colleges program and it reflects, as I say, the better than we even expected progress that has been achieved to date in implementing this Howard government initiative.

Twenty-four of the 25 Australian technical colleges have now been announced and 20 of these have already signed funding agreements with the government ensuring funding for their establishment and operations until the end of 2009. At least 21 of these colleges will be in operation during 2007 with a forecast of more than 2,000 students. This whole initiative has been implemented well ahead of the schedule which we announced in the 2004 election when we announced this initiative.

The Australian technical colleges have been embraced by communities and by employers in the industry in the regions where they have been established. I know in my own bailiwick, in North Queensland, the Australian technical colleges are doing very well. The college in Townsville was funded for 100 places. They already have 150 students enrolled and they have been funded for that. I certainly hope that the government will understand the fact that there are more people waiting for the Townsville ATC and I would hope that the department will seriously look at the request of the Townsville ATC for additional funds to take up that very significant demand in the community.

The Townsville Australian technical college is very well chaired by Mr John Bearne, with Mr Lawrie Martin as his deputy chairman. Their board of experienced people in the industry, who understand what is needed in Townsville, are doing an absolutely mighty job, as are the boards of ATCs right around the country. One of the reasons for this is that the boards guiding these Australian technical colleges are made up of local people in the industry who know the demand. No one Australian technical college in Australia will be the same as any other; they will all be different because they will have different focuses.

One of the very great successes of the Australian technical college program is demonstrated in Townsville where industry and employers are wholeheartedly in favour and supportive of what the ATC is doing. As I understand it, when a trainee comes into the ATC they have to have a mentor or an employer who can help them through and who can work with them. In Townsville, it is interesting that there are more employers wanting to help, assist and take on trainees than there are trainees. That demonstrates not only the success of the program but the fact that industry understands it, supports it, thinks it is a great idea and are prepared to vote with their feet when it comes to this college, by offering their services. So perhaps that is something unique to Townsville that is not there in other ATC areas, but we are very proud of the fact that there are more employers wanting to be involved than we have trainees. So it is a great program.

Other communities want to join the Australian technical colleges program. I was out at Mount Isa opening an employment expo that Centrelink and other government agencies had put on a few months ago. These employment expos, bringing job seekers and employers together, are a great initiative of the Minister for Human Services. It was a very significant event in Mount Isa, it was the first in Australia, as I understand it, and I was very proud to be able to open it on be-
half of the minister. But one of the calls in Mount Isa was for their own ATC. That is not possible at the present time, but I do know that the Townsville ATC and others in government are looking at Mount Isa. I am not suggesting it will happen in the next six months, but clearly there is a call from places in regional Australia like Mount Isa, and those calls are being very seriously considered at the moment. I can well understand the demand in places like Mount Isa, with a local economy that is expanding very rapidly on the back of the Howard government’s good economic management, with the freeing-up of mining and the pursuit of expert opportunities for our metal processing areas. We will keep an eye on this. We will look to other communities that want these ATCs.

Previous speakers have made a lot of the TAFE system; it is a good system and it works well within the constraints imposed upon it by the state governments. State governments are indeed, I think, criminal in the lack of support and assistance they provide for training. I know, in my own state of Queensland, the Queensland government spend more money on spin doctors and on trying to keep themselves in power than on doing things on the ground. I know the Queensland TAFE system is underfunded and that is to the great shame of the Queensland government. When you consider the money that the Queensland government are getting from the GST, you would think they would be able to put a bit more money into the health system and into vocational training, but they do not do it. That perhaps is a good opportunity for me to remind the Senate that every single cent that is collected from the GST in Australia goes to state governments.

With the economy booming the way it is, GST collections are increasing accordingly and all that money is going to the states. The states are awash with money. They are not, though, awash with sensible management of the money when they receive it. I would certainly hope that at some time in the future we will have state governments who can be responsible with money and who will use the huge windfall gains they are getting from the GST for things like helping a bit more with their own technical and further education colleges. But I digress.

This bill before us increases the total funding for the ATC initiative from about $350 million to more than $450 million for the period from 2006 to 2009. I indicated the way that relates to the Townsville ATC, and that is being mirrored across the country. Strong industry and community support for the ATC program has meant that more colleges than originally anticipated will be opening in 2007. This has meant additional costs, hence this bill before the parliament. As I emphasised before, the ATC program is significant and forward thinking because each college has been encouraged to pursue a model that best meets the needs of the region in which it is established. It is again with some pride that I mention the success of the Australian technical college in Townsville and the way the local board has directed it so that it suits the local economy and has also brought on board many of the employers in the region to support the trainees in their work.

It is interesting to note that many colleges have identified the need for multiple campuses to ensure appropriate coverage of a region. There are a number of examples of this. The Hunter Australian technical college in the Newcastle-Maitland-Singleton region is looking at that. I know that in regional Australia, a part of Australia I am very passionate about, this idea of multiple campuses will be popular for Australian technical colleges. James Cook University in Townsville, the Central Queensland University and the University of Southern Queensland are re-
Regional universities with many campusues, and this has been very beneficial for them. James Cook has a major campus in both Townsville and Cairns and a campus in Mackay and in many other parts of Australia as well. It is doing particularly well.

I noticed the previous speaker was railing about this government’s cutting back of funding for universities. I do not know where he gets his statistics from. Since our government has been in place, James Cook University has expanded very considerably. I am delighted to say we have a medical school there, something that the previous Labor administration could never contemplate. So we now have rural young people, rural students, coming through rural and regional universities, becoming doctors and then, more likely than not, going back into the regions of Australia once they qualify. I am delighted with the results of the medical school at James Cook University, which is now turning out doctors. It does not seem all that long ago that the program started, but it is actually achieving results on the ground at this time. As the years go on, it will provide additional doctors, particularly for rural and regional Australia. But again I digress.

The Australian technical colleges bill before us is a good news story. It does put additional money into a very worthwhile program. It is something the minister and the government as a whole should be very proud of. I would certainly be surprised if any senator in this chamber would oppose the bill. They may criticise aspects for political reasons, because their union bosses tell them to, but it is a great program. It is a very significant program and it has achieved success even beyond the expectation of those who put it together. That is demonstrated by the need for this bill to provide additional funding for the Australian technical colleges program in the current financial year. (Time expired)

Senator STERLE (Western Australia) (10.19 am)—I rise to speak to the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 but also to place on the record my abiding concern about the Howard government’s policies—and I use that word ‘policies’ very loosely indeed with regard to the training and skilling of Australian workers. Before I commence my comments on the bill I would like to take the previous speaker, Senator Ian Macdonald, to task. The tirade from Senator Macdonald is absolutely saddening. It is like watching an animal in its death throes. I can understand Senator Macdonald being very bitter, especially after being the only minister axed out of the cabinet last year. Senator Macdonald can stand here and bag all of us on this side of the chamber and have a go at our histories. There is not one of us ex-union officials and proud union members that ever hides the fact that we proudly stand on our record of representing workers in our home states. You, Senator Macdonald—through you, Mr Acting Deputy President—wouldn’t know a worker if you fell over one!

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Senator Sterle, I trust you are going to get to the substance of the bill.

Senator STERLE—I will get to the substance but I must, Mr Acting Deputy President, take the failed minister to task on some of his ridiculous statements.

The ACTING DEPUTY PRESIDENT—You really should confine yourself to the substance of the bill.

Senator STERLE—I will, Mr Acting Deputy President, but you did let Senator Macdonald waffle on and have a crack at Senator George Campbell in his statements, so I would like to have the chance to defend Senator Campbell’s statements.
The ACTING DEPUTY PRESIDENT—Senator Sterle, you have not yet addressed the bill.

Senator STERLE—I will address the bill.

Senator McLucas—Mr Acting Deputy President, I rise on a point of order. My point of order relates to a ruling that I heard an acting deputy president make in the chamber yesterday, or it may have been the day before—

The ACTING DEPUTY PRESIDENT—What is your point of order?

Senator McLucas—The ruling was—

The ACTING DEPUTY PRESIDENT—I was not asking about the ruling but the point of order.

Senator McLucas—that speeches in the second reading debate can be fairly expansive. That was the ruling then and I believe that Senator Sterle, like the previous speaker, should also be allowed that—

The ACTING DEPUTY PRESIDENT—that is not a point of order, Senator McLucas.

Senator Ian Macdonald—Mr Acting Deputy President, could I just—

The ACTING DEPUTY PRESIDENT—There was no point of order there, Senator Macdonald. Do you have a fresh point of order?

Senator Ian Macdonald—I do, Mr Acting Deputy President. It is really an anticipatory point of order. I draw the Senate’s attention to the rule that says second reading contributions should not be read. I ask you to carefully look at the next speaker, when he finishes his attack on me, and see whether he reads his speech.

The ACTING DEPUTY PRESIDENT—Senator, that is not a point of order. Senator Sterle.

Senator STERLE—I am talking about the bill, because the previous speaker belittled Senator Campbell’s figures in that context. I have the Hansard in front of me, Senator Macdonald. You may want to take your head out of your cardigan and go to the Hansard of Wednesday, 1 November 2006, and the Senate Committee on Employment, Workplace Relations and Education, and find what the department stated when quizzed by Senator Wong. The figures are clearly stated in Hansard. Senator Macdonald should shove the hush puppies in his mouth, I suggest, and at least read the Hansard before he starts attacking senators on this side and the Hansard figures. I do not think there is anything flawed in the Hansard of the department’s figures.

A government senator interjecting—

Senator STERLE—Senator Wong was the questioner at the time. Those figures are there for everyone to see, and I suggest that Senator Macdonald take his foot out of his mouth, go read the Hansard and then come back and apologise to all and sundry, if he so wishes. I believe his bitterness is at getting the back of the axe. I will not waste any more time on Senator Macdonald’s tirade—a waste of oxygen—and his carry-on. I understand he is still bitter, being the only minister to get the back of the axe last year.

Getting back to the bill, the last time I spoke on the issue of the Australian technical colleges in this place was to address a similar bill that sought to bring forward funding for these institutions—so this all sounds very familiar. I believe once again the government has stuffed up the funding of these colleges. It has botched the costings by the sound of things, despite what the explanatory memorandum might say to the contrary. It is the latest sorry chapter unfortunately in what is becoming a very sorry saga. As my colleague the member for Perth and shadow education
minister has already said, we are facing an extremely serious national skills crisis. No one would debate that and I understand that you, Mr Acting Deputy President Lightfoot, coming from that fine state of Western Australia with our V8 economy, would have great knowledge of the skills shortage.

This is not a crisis that has arisen overnight nor is it a crisis brought about by the boom-time conditions we see in the great Labor states of Western Australia and Queensland. Rather it is a crisis brought about by the policy failure of the Howard government. For a large number of the 11 long years of this government, they ignored technical and vocational education, ignored the screaming need for an increased contribution by the Commonwealth towards expanding the scope and quality of that sector and ignored the increasing skills crisis in this country.

It was not as if they did not have plenty of warning not only from this side of politics but also from institutions like the Reserve Bank of Australia and organisations none other than the Business Council of Australia. The RBA has pointed repeatedly to the skills crisis as one of the reasons for the upward pressure on inflation—too little skilled labour being chased by employers prepared to pay top rates. It is a simple case of supply and demand. But that has fed through to inflation and increased interest rates—unfortunately, another legacy of the Howard government since the last election. We should all be reminded that there have been four interest rate rises since the last election. The Business Council too has repeatedly warned about the skills crisis and the damage it is doing to the prosperity of the nation. In fact, in a report on waste and mismanagement in the federal system, it pointed to the vocational and technical education sector as a major example of unnecessary duplication.

So the government has won no friends there with the system it has set up.

Back at the 2004 election it suddenly dawned on this government that there was a problem and there still is a problem—most importantly, the problem is being recognised in the community. It is never really a problem for this government unless there is the possibility that it might lose votes as a result. Never mind the national good; unfortunately, for this government its first priority is winning votes.

So what to do? It is quite simple: blame the states. The previous speaker is an expert at laying blame on the states. In fact, the rhetoric is becoming quite boring. Unfortunately, it is a tactic that is used by most government senators when debating any bill. They blame the states, ignore the vast contribution they make to fund this area of education and training and—guess what?—they set up a completely separate system. It would be a bit like building a completely separate road system, except this government would end up designing a cul-de-sac or a road to nowhere, or building a new hospital next door to an existing one run by a state health system and putting shiny federal government badges on it. You know what the critics would say? You would be able to hear them from here because they would be screaming from the roofs about the waste of taxpayers’ money and the duplication. Quite frankly, they would be right.

This is what they did with technical and further education: ignored the existing downward trend in federal funding of the existing TAFE structure and set up a parallel one. But, anyway, here we are with this system of Australian technical colleges. It is a farce and unfortunately an expensive one at that. It has already cost one minister his job. The samurai sword came out and was taken to that minister who was originally charged
with implementing this ridiculously wasteful plan. If he takes out a minister for a ridiculous or wasteful plan, the Prime Minister better have an entire armoury of swords, I would suggest, because there could be a whole line-up on that side of the chamber.

One minister has been virtually beheaded, but the government cannot stop digging and now needs more money to cover another stuff-up with regard to costings. And speaking of digging holes, perhaps the answer for the Howard government is to appoint a minister for potholes to supervise the number of holes this government is digging for itself. I can imagine the wonderful photo opportunities for that around this great country: ministers in shiny white hard hats standing in urban or rural areas for photoshoots with marginal seat holders, with the ministers saying, ‘Worker, pass me the silver shovel for the photo opportunity. While you are at it, can you put some of that black runny hot stuff in it.’ I can see the worker in his orange vest saying, ‘Yea h, it’s called bitumen, bone-head.’

I want to point to some recent comments by the chief economist of the Chamber of Commerce and Industry Western Australia, Mr John Nicolau, in a story by Andrew Burrell in the Australian Financial Review on Friday, 9 February. Mr Nicolau is reported as pointing out:

... that almost all of the 9,400 new jobs created in WA in January were—
guess what—

part-time, and that the participation rate of 67 per cent was still too low.

Fancy that: 9,400 workers in Western Australia were part time. Isn’t that a wonderful story! We do not hear the government banging on about the part-timers. They come out and espouse their credentials on employment, but they do not mention 9,400 workers who are part time. Imagine what the worker hears: ‘Sorry, mate; no annual leave; no sick leave; no carers leave. What? You want a paid public holiday? Sorry, bucko—you’re part-time.’ Then they go to the bank: ‘I want to borrow some money for a housing loan.’ ‘Mate, stiff bickies. You’re not a full-time employee. Come back when you’re a full-time employee.’ Wonderful! We do not hear them talking about that on the other side of the chamber.

So we have this government crowing about all the jobs it is creating and we have the minister saying what a good thing Australian Workplace Agreements are, but here we see the truth: almost all the jobs being created are part time. And that has come from the Chamber of Commerce and Industry—a lackey for the other side of the chamber. What can we do for the Chamber of Commerce and Industry?

Honourable senators—and I use that term very loosely, at some stages—get on their high horses and bang on about us being union lackeys and union hacks and kowtowing to our union bosses. Well—through you, Mr Acting Deputy President, to those on the other side of the chamber—there’s your mob giving you up. The game is up. They have exposed you for what you are—charlatans. It is not full-time employment.

Full-time employment? Tell that to the 9,400 part-time workers who would probably love a full-time job, not only to enjoy the rewards that come with full-time employment but to have the ability to walk into a bank and get a loan for a home. And no-one can tell me about the difficulty in getting a home loan, especially coming from Western Australia where prices are going through the roof.

I would also like to confirm a report in the West Australian. The previous speaker, Senator Ian Macdonald, is very aware of the West Australian. I think it is probably one of his
favourite publications because every time I pick up the *West Australian* and there is a bad news story, Senator Macdonald gets a free run on the inside cover. But then, when I come to think about it, they are normally bagging him.

Anyway, there was an article here, in the *West Australian*, on Tuesday, 27 February, on page 14, by a Mr Shane Wright, the economics editor. What Mr Wright says there, very clearly, is that more than half a million people want to work more hours.

The Australian Bureau of Statistics found there were 544,600 people who could be described as under-employed—mostly part-time workers who want more hours. Now, we know that. But Mr Wright goes on to say:

The under-employment level peaked at 5.7 per cent in September 2002 and despite the strong jobs market it has now only fallen to 5 per cent.

Coupled with those officially out of work, it means close to 10 per cent—no less than 10 per cent—of the total workforce are either jobless or under-employed.

We do not hear that coming out of the minister’s statements, do we? No, that is really kept quiet.

Mr Wright goes on:

Of the part-time workers looking for more hours, more than 213,000 wanted between 10 and 19 extra hours a week, while 34,000 said they wanted more than 30 hours.

Another interesting statistic here from Mr Wright is this:

Women account for about 61 per cent of under-employed part-time workers. About 53 per cent of these women actively sought out extra hours within the four weeks they were surveyed by the ABS.

But, no doubt, thanks to the new industrial relations regime imposed by this government, it is a case of: ‘Sorry, folks; too bad. You want full-time work or more hours? Thanks to this government, we as employers don’t have to give that to you.’

So much for Work Choices! So much for greater flexibility! It is a case of employers getting all the choices and the employees not getting the work they want and need. You on the other side have got the numbers in the chamber—why don’t we change the bill from ‘Work Choices’ to ‘Bosses’ Choices’? That would probably be a bit closer—no, I will rephrase that: it would be a hell of a lot closer to the mark.

And is this what Western Australian workers want? For the vast majority, I would say: no, they do not want part-time work. They want training and they want skills to take advantage of the incredible demand for trained and skilled workers.

Will they get that training and those skills from the Australian technical colleges? Once again, I say no. This cobbled-together Australian technical colleges system—as wasteful and as much of a duplication as it is—cannot meet the demand for training and skilling, not from the employers crying out for skilled workers and not from the workers themselves.

Labor will support this bill because any contribution to helping fix the skills crisis is better than none. But surely there must be a better way. The Australian Industry Group, I also note—certainly friends of the government—estimated that it would require 270,000 more trained workers to fill the current skills shortage. I will reiterate that number: 270,000. And skilled vacancies are rising, according to the January skilled vacancies index.

Sadly, the Howard government has not helped. Last year the AiG—once again, good friends of the government; good supporters of the government, unashamedly; they do not hide that fact—reported that real expenditure
per hour for vocational education and training had gone down in recent years. Not up—down. Funding today is lower, in real terms, than it was in Labor’s last year in office—some 11 years ago—and it has gone down. That is according to figures from the National Centre for Vocational Education Research.

The anecdotal evidence about enrolments at these ATCs does not show much promise either. From what I am told, enrolments at the ATCs in the Perth area are nowhere near what were promised. This is anecdotal evidence only, but in a boom town like Perth, with industry screaming for skilled workers, you would have thought there would be an equally screaming demand for places at the Australian technical colleges. You would have also thought that there would be a continuing stream of full-time skilled jobs being filled. But no—Mr Nicolou has given it up; he has let the cat out of the bag—there are 9,400 part-time jobs just in January. Some solution from the Howard government to the skills crisis! Such is this government’s track record over 11 long years on this issue of education—in particular, technical and vocational education, because that is the subject at hand—that I fear the worst. I genuinely wish that this government might do something positive in this area, and hence our side’s grudging support for this bill. But, as I say, I do fear the worst.

I know I have been pulled up in this chamber before by some sensitive souls over my chosen language—I think I have turned to the language of Labor, of which I am very proud—and I fear I may upset the sensitive ones once again. Unfortunately, after the performance I have seen from the previous speaker, it has encouraged me—as hard as I am trying not to, but I am going to have to!—to use the ‘f’ word. Unfortunately the ‘f’ word comes to mind! I cannot forgive myself, but it is ‘failure’—that is what it is; it is ‘failure’. Every time I look at that sorry side over there, all I can see is failure—and more so in the lack of training and skills.

This government has presided over a skills crisis and has failed continually to make sure Australians receive the training they need and the economy needs to go forward. It has been a failure that has been a brake on the economy and our prosperity. This government has failed to make the investments necessary in our schools and in the existing TAFE system to ensure younger Australians in particular have access to high-quality vocational education—including at their schools. This government has failed to increase the number of school based traditional apprentices and failed to provide the funding support for schools to take up the places. Instead it has created these expensive—and, as this bill appears to demonstrate, getting ever more expensive—inefficient, stand-alone colleges, without seeking the cooperation of the states along the lines of the already existing vocational education and training framework. In the process the Howard government has ridden roughshod over the states and territories, and ignored the incredibly significant role the states and territories play in vocational education and training. And when will we see the first fruits from this expensive game of ‘blame the states’? Not until 2010.

In summing up, I was flicking through the Prime Minister’s media release about Skills for the Future. It says:

New financial incentives will help more Australians looking to take up a trade apprenticeship in mid-career.

I thought, ‘What does that mean?’, so I quickly flicked over to the back to the memorandum and it reads:

The Prime Minister has announced that from 1 July 2007, there will be financial support for mid-career workers aged 30 or more ...
They are going to flick a bit of money. I just want to entertain you for a second, Mr Acting Deputy President Marshall, especially with your background and wide knowledge of the lack of training and skills and dealing with apprentices. There is $150 per week for a mid-career apprentice on top of a wage in the construction industry for an apprentice of $8.13 an hour. What a wonderful contribution from a government that is out of puff, out of touch and arrogant.

Senator BARNETT (Tasmania) (10.41 am)—I stand to speak and support the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006. I do so for a number of reasons. In my outline of those reasons I will also respond to the attacks and the allegations made by Senator Sterle and members on the other side. In fact, I want to say that I was disappointed with the personal attacks by Senator Sterle specifically with respect to Senator Ian Macdonald and former Minister Gary Hardgrave. I do not think that does him any good at all. I think we should be playing the ball and not the man.

He has also been waxing lyrical about the policy approach of our government and the policy approach—or void—from the opposition side. He has referred to the Work Choices regime and attacked it, notwithstanding the fact that members on his side of the chamber and in the union movement said that it would be a recipe for a slashing of jobs and would put downward pressure on wages. Of course, both those allegations were entirely false. Members on the other side should be apologising to the Australian people for those false accusations that have been made.

With respect to the slashing of jobs, the exact opposite has occurred. We have now seen over 240,000 new jobs since Work Choices was introduced in March last year. The runs are on the board. Howard has delivered again. Compare that to 13 years under Labor when you had one million Australians unemployed. Unemployment now is at a 30-year low and you have a very strong economy and wages growth.

With respect to Labor and the union movement’s attack on Work Choices, saying that it would be a downward pressure on wages, of course that is entirely wrong: in fact, the opposite is correct, with an over 16½ per cent increase in real wages since the Howard government came to power in 1996 and continuing improvement in real wages. That is more money in the pockets of the working men and women of Australia, benefitting them and their families. Under 13 years of Labor you had a 1.3 per cent reduction in real wages. That is less money in the pockets of working men and women of Australia. Labor’s policy is to rip up AWAs. AWAs provide the flexibility and the choice. It is not compulsory; it is voluntary and it provides choice for the Australian people. Senator Sterle and others—indeed, Mr Rudd—have a position of ripping up AWAs and removing the choice.

Senator Nash—Shame!

Senator BARNETT—That is a great shame, as Senator Nash indicates. I totally agree. The other key point I want to make about Labor’s policy is that they want to go back to the bad old days of the unfair dismissal laws. This is my sadness and disappointment on behalf of the small business community across the country. They have finally got rid of the unfair dismissal laws that were set up by the Keating Labor government, and now Kevin Rudd says he wants to go back to those bad old days. I think I know what the small business community are going to say in the lead-up to the election. There will be a clear choice: you either reintroduce the unfair dismissal laws or you
retain the job-creating environment in which we operate in Australia today. I wanted to respond to those particular allegations that Senator Sterle made.

One of the key reasons I want to support the bill before us today is that the Tasmanian federal Liberal team has been very supportive of the Australian technical colleges initiative brought in by the Howard government. I want to acknowledge the tremendous work of former minister Gary Hardgrave in getting these colleges up and running around the country. I specifically want to acknowledge my colleagues Michael Ferguson and Mark Baker, the federal Liberal members in Bass and Braddon. They have championed the cause. They have been proud supporters of the colleges nationally, and specifically the ATCs in northern Tasmania and on Tasmania’s north-west coast. Michael Ferguson and Mark Baker worked hard with the business community, the academic community and their local communities to get these colleges established. They made it happen in Tasmania, with the support of the Howard government. Minister Hardgrave and others. They established these colleges and got them up and going. The colleges are now proving to be a great springboard towards a trade career for year 11 and 12 students in Tasmania.

I am a member of the Senate Standing Committee on Employment, Workplace Relations and Education, which is chaired by the Hon. Judith Troeth. That committee recently produced a report on this very bill, which recommended increased funding of $104 million to support Australian technical colleges through to 2009-10. It is a short report but it makes it clear that there is support from all members of the committee for this particular legislation. That is the good news.

We have heard members on the other side oppose the Australian technical colleges and the approach that we are taking, yet on the other hand they are happy to support funding for the technical colleges. Some people might say that is hypocritical. I will leave that for the community and the men and women of Australia to decide.

It is interesting that just this month the Launceston City Council in northern Tasmania has approved the sale of land to allow for the building of an Australian technical college. The Launceston campus of the northern Tasmanian Australian technical college is currently based in a former school building at Riverside in Launceston. The council’s approval for the sale of the land means the college will be built near the historic Inveresk precinct, which is fast becoming a true hub of learning and recreation in Tasmania. The ATC will be surrounded by a campus of the University of Tasmania, including a school of architecture and furniture construction. My understanding is that the university is in support of that.

The university has a great track record. Only two weeks ago, in the Senate budget estimates hearing in Canberra, we were advised that the University of Tasmania is now the third largest employer in Tasmania, with 1,800 staff, and student numbers are expected to grow from 12,500 to 15,000 by 2010 and to 20,000 by 2020. Student numbers were 10,000 back in 2000. The university is making a very important contribution to Tasmania and our economy. By 2020, according to the figures before the Senate committee, the total contribution by UTas to Tasmania’s GSP will be $425 million, or three per cent of total gross state product. It is a quiet achiever doing a good job. I congratulate the university on its growth and support. That is entirely contrary to the views of the other side, which says we have had an attack on tertiary funding and tertiary services in Australian. Of course, that is entirely wrong. There has been a big investment in
tertiary education in Australia, and that is proven.

The ATC in Tasmania is up and moving and it is going well. Also at Inveresk is the Queen Victoria Museum, the function centres and York Park—also known as Aurora Stadium—which is the home of Australian Rules football in Tasmania. The move to Inveresk will be another positive step for the northern Tasmanian Australian technical college, which is truly succeeding in the region. The courses are almost completely subscribed, with only a few places left in commercial cookery. This is positive news and it comes in a month when the Labor Party has so stunningly and pathetically vowed to scrap the Australian technical colleges. This is in my view just another example of a party that wants to continue with political point-scoring at the cost of real opportunities for young people and ultimately at the cost of their potential careers.

Senator McLucas—When did we say that?

Senator Barnett—That is the end result, Senator McLucas, of your policy. You want the state governments to take over the ATCs. We know what that means: the unions will be in control of the ATCs—and I will be coming to that matter in my deliberations. The Labor Party opposes the colleges purely because they are a Howard government initiative; it is that short and simple. It is an ideological opposition devoid of any integrity, small-minded and hell-bent on segregating vocational education and training from any other academic advancement. I am appalled at Labor’s attitude and its negative approach of trying to stop these students from getting a start in life. Labor opposes the ATCs, yet, in the Senate committee report that I have just referred to, the ALP actually supports this bill to inject further funds. I ask again: is that hypocritical or not?

Courses at the college will involve the skills of selected trades as well as TCE studies in mathematics, English, science, business studies, information technology, vocational learning and work readiness, and other relevant subjects. Importantly, these subjects will relate to the chosen trade, therefore making the courses much more relevant and interesting from the student’s perspective. Students will continue with TCE studies, so that we ensure their readiness for any future training down the track. That is a good approach. That is as well as their completing the trade skills of their selected trade. So we are preparing these young people for a future. We are giving them hope and an opportunity to get a head start. We are giving them potential in life and the opportunity to reach their potential.

The northern Tasmanian ATC management has been working extremely hard to ensure that the college is the success that it is today. The bright future for the ATC began back in September 2005, when there was formal acceptance by a Tasmanian consortium to actually be the lead agent for Tasmania’s technical college. The outcome was a breakthrough that the community had been waiting for and deserved. They have received strong support from, in particular—in the north—Michael Ferguson, the federal member for Bass, and Mark Baker, the federal member for Braddon. Today Tasmania’s Australian technical college is operating from a campus in Launceston, which opened in July last year, and a campus in Burnie, which opened in August last year. The Tasmanian consortium is made up of St Patrick’s College and Learning Partners, along with the Tasmanian Chamber of Commerce and Industry.

Senator Sterle and other members on the other side accuse us of relating to and acknowledging the views of the business community in Tasmania represented by the
Tasmanian Chamber of Commerce and Industry, headed by Damon Thomas, who is its chief executive. I want to respond on behalf of Damon and the TCCI. I say to disregard the views of Senator Sterle and those on the other side. I say to the TCCI: ‘We appreciate your input because you represent business. You actually represent small businesses throughout Tasmania, and we believe that small businesses are very important. We believe that small business is the backbone of the economy, particularly in Tasmania, a small business state with over 50 per cent of the private sector workforce coming from small business.’ I can tell Senator Sterle that the majority of the TCCI’s membership is actually made up of small businesses. Senator, you should be prepared to come to Tasmania and say face to face to the leaders of the business community at the TCCI the words that you have shared with us today, and we will see how they respond to the accusations that you have made.

Senator Sterle—I am an ex-small business man myself, Senator.

Senator Barnett—I am very proud to work with them and other small business organisations in Tasmania, as are Michael Ferguson and Mark Baker. They have made something happen. They have created something out of nothing to provide a future for young people in Tasmania. I am proud of their efforts and I am proud to be part of the team to make it happen.

As for the consortium, the ATC’s governing body consists of industry, education and community representatives. They are working with northern Tasmanian ATC principal, Nigel Hill, who should be commended for his work to date, and the independent chair, Lloyd Whish-Wilson. Lloyd is a retired newspaper executive. He spent time at the Examiner newspaper and the Canberra Times and is highly regarded not only in Tasmania but nationally, particularly in national business circles. We are very proud of his record and of his support for the ATC in Tasmania. Industry support is reflected in the governance of the college through the Tasmanian Chamber of Commerce and Industry, as I have indicated, and other industry and local business representation. Industry reference groups are being established by region and/or industry as required to provide direct input into the operation of the college.

The northern Tasmanian ATC commenced operation by focusing on two industries: building and construction, and metal and engineering. Three additional industry areas are being offered this year: commercial cookery, electrotechnology and plumbing. In 2008 rural and automotive are planned to be added. In Launceston the college student numbers will be 93 this year, I am advised, 180 next year and 209 in 2009. For the Burnie campus, I am advised, there will be 82 students this year, 98 next year and 114 by 2009. So within three years there will be 323 students benefiting from the college’s services. Students enrolling in 2006 were not charged a fee. That is a great record to have, and I am proud to be part of a government that has delivered those opportunities for those young Tasmanian students. For each year thereafter students will be charged fees of $500 per annum. This rate is comparable to primary, secondary and college student fees in the region, and scholarships will be sought from industry sponsors.

I support this bill because it is another way to ensure that the Australian government can look after the young people of Australia and meet all their education and training needs. We are delivering on a 2004 election commitment. We promised and we are now delivering. It has gone from an idea to a reality in a remarkably short space of time, with 20 ATCs currently operating at 33 campuses around Australia. In 2008 that number will
increase to 25 colleges at 39 campuses, and in 2009 to 40 campuses. Some 2,000 students across Australia are already benefiting from being able to do their year 11, obtain their year 12 school certificate and start an apprenticeship at the same time. Nationally, 7,500 students are expected to be attending colleges each year once they are fully operational in 2009. These students will finish their two years at an ATC having completed their high-school education and will already be two years into their chosen trade or vocational training, giving them an important head start for their career.

Having more young Australians undertake vocational and technical training is vital for the continued growth of the Australian economy. It addresses the skills shortage—and in parts of Australia there is a skills shortage, due in large part to our unemployment rate being at a 30-year low, which has been driven by more than a decade of uninterrupted economic growth under the Howard-Costello team. We need young Australians to look at a vocational or trade career as a good option for their futures. For too long in Australia, a technical or trade education has been considered a second-class option to a university degree. This is exactly what happened under the Labor government before the Howard government came in about 11 years ago. Parents considered themselves failures if their children did not leave high school to go on to a university degree. We want this to change, and it is changing, and we are proud of that record. We want a good technical or trade qualification to be as highly prized as a university degree. We want parents and teachers to highlight ATCs, Australian Apprenticeships and TAFE courses as highly sought after and valuable career directions for young Australians. We want young Australians with technical and vocational skills to feel very proud about pursuing training in

a career which develops and utilises those special talents.

The ATCs will go a long way towards lifting the status of vocational and technical education. These colleges will provide students with high-quality teaching and facilities, including cutting edge machinery and equipment on which to train. The curriculum will be influenced and directed by local industry and business to ensure that students emerge with highly relevant and in-demand skills. We are leading the way. The record is there. As I said, Michael Ferguson and Mark Baker have led the way in Tasmania, with the support of the Liberal Senate team. We are proud of that record, we stand by it, we support them and we are looking forward to the future and providing hope for young Tasmanians. (Time expired)

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (11.01 am)—I will begin by reminding those listening to this debate just what the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 is all about. It is about amending column 2 of the financial assistance table under section 18(4) of the act, to increase the total funding appropriated under the act. There is a reason for it, of course, and we heard a little bit about that reason, but the fact is that this is going to take the total appropriations for the Australian technical colleges program—the Howard government’s approach to vocational education and training—to an investment of half a billion dollars. The question has to be asked: what are we going to see for half a billion dollars in investment in the skills shortage that is now rampant in Australia?

My background in the vocational education and training sector gives me the opportunity to reflect on where I think half a bil-
lion dollars would be appreciated. I know that it certainly would be appreciated if it was directed to the good things that are already happening in schools, TAFEs, industry partnerships and cluster networks. As a rule, I would say that half a billion dollars being spent on education would be very welcome indeed, but with this investment we have to ask the question: where has this money gone?

Labor have strong reservations about the Howard government’s approach to vocational education and training and it is not difficult to understand why. We are supporting this bill and, in doing so, we are mindful that a skilled labour force is a major priority that is desperately and urgently required to maintain this country’s manufacturing and economic base. It is all the more frustrating, then, to note that the February 2007 vacancy report of the Department of Employment and Workplace Relations provides evidence that skilled vacancies in Australia continue to rise despite this government spending $340 million to fix the problem, with a proposal to increase that by another $112.6 million. The government says that this is necessary because of the cost increases associated with the start-up of the Australian technical colleges system. The question to be asked is whether this the wisest option for investing in the creation of a skilled workforce to meet our current and future industry needs. I really think that is a question that begs answering by the government.

The skilled vacancy index shows an increase of 6.1 per cent in skilled vacancies in Australia since February last year. Occupations included in the vacancy report are food, hospitality and tourism—prime targets of the Australian technical colleges. The strongest increase was for the wood trades—an increase of 6.9 per cent from January to February 2007, which equates to an alarming 49.2 per cent increase for the year 2006-07. Other occupational groups recording an increase in vacancy rates, and which are also prime target areas of the Australian technical colleges, are: metal industry trades, with an increase of 1.2 per cent; the construction industry, which increased by 0.4 per cent; the food industry, which increased by 3.3 per cent; and hairdressing, which increased by two per cent.

The continued upwards trend in skills shortages, despite the introduction of the Australian technical colleges system, provides evidence that there really has not been an outcome in return for the investment of millions of dollars in this vocational educational trial. The outcomes promised have not been delivered, and the figures provided during Senate estimates on enrolments in Australian technical colleges tell us why. It is because the numbers enrolled are abysmal. We heard Senator Barnett mention that there are 20 Australian technical colleges currently operating, forecasting 2,000 enrolments this year and 7,500 by 2009. This makes you wonder what contribution that is going to make in the longer term to addressing the skills shortage.

I want to make some comments about what is happening with skills shortages in New South Wales, particularly in regional areas. Communities that were provided with a welcome opportunity for economic growth have actually been inhibited in their efforts to capitalise on that opportunity because they simply cannot find skilled workers to fill the newly created jobs. The Prime Minister claimed that this initiative was about addressing the skills shortage in Australia, claiming before the election of 2004 that Australia was experiencing significant shortages in key trades, including the building and construction, metals, manufacturing and automotive sectors. It would appear that, despite the government throwing millions of dollars at this ill-conceived program, nothing
has changed in 2007 and Australia is still facing significant and growing skills shortages. Employers and businesses throughout regional New South Wales, currently in the grip of a debilitating drought, are displaying immense fortitude and resilience.

The Australian Industry Group has asked for further reforms to the vocational education and training system. That too provides evidence of little confidence in the Howard government’s Australian technical colleges system. The Australian Industry Group are asking for a reformed vocational education and training system which delivers the skills required by industry in a flexible and responsive manner.

The Australian technical college system does not address the fundamental issues of the disincentives for young Australians to take up trade related positions. The scandalously low wages paid to building trade apprentices in the building and constructing industry, for example, are a testament to these disincentives. Government support for industry-grown solutions to address the skills needs and employee conditions is vital if Australia is to meet the challenges of an ageing workforce. What industry needs is a training system that is demand driven, providing incentives for training providers to better meet the needs of employers and produce quality tradespeople. The failure to get it right will do longer term damage to an already brittle system.

To increase funding for the Australian technical colleges before there is evidence that the system is even working is another premature reaction by the Howard government in a vain attempt to rein in the skills shortage disaster. Costs for establishing the colleges are already blowing out significantly beyond estimates. It is irresponsible and naive to direct further funding to a young, unproven and costly system.

Cost increases in the areas of curriculum development, trade training and operational arrangements should be directly attributed to poor budgetary preparation and costing. The very idea of a curriculum being developed without consultation with the trade or industry that the system is meant to be supporting is absolutely ludicrous. Those who have been involved in vocational education and training for a long time understand the importance of close linkages with industry so that the training curriculum meets emerging industry needs. For our national government to get so wrong the costing for the development of trade training facilities to teach the very trade that it is training in is, quite frankly, embarrassing to say the least.

The disappointing thing is that the money could have been funnelled into the TAFE system of vocational education to shore up, enhance and stabilise an education provider that is well established throughout Australia and that has the appropriate facilities, expertise and credentials to provide education in an area of such urgent need. Instead of tapping into and working with the TAFE system to maximise education and training outcomes, the government is now committed to establishing this very unnecessary duplicate education system. No wonder there are inefficiencies and cost overruns. The TAFE education system has an excellent and proud history of providing fine young tradespeople. I am very proud to have been associated with the TAFE system in New South Wales for over 10 years. TAFE provides education opportunities for ordinary Australians to progress in their career choices.

I will give you some examples of just what is going on in New South Wales TAFEs. Take, for example, a Barters production line worker in the Riverina region. Jason Vardonega is about to change his life because he has enrolled in a business course that is enabling him to embark on a new life path-
way. He admits that his current work, which involves filleting, deboning and packing chickens at Barter’s, is pretty tedious and boring and requires limited skills, but at 33 he has now successfully obtained a Commonwealth government skills voucher, enabling him to enrol at TAFE New South Wales Riverina Institute’s Griffith campus to learn computer and office administration skills—a smart move that uses the existing infrastructure in our communities. TAFE’s flexible style of delivery and outstanding teacher support will enable Jason to improve his work skills and future career prospects. Such is the absolute success of Australia’s TAFE education system.

Another example is a young mother from Wagga, who was awarded a $2,000 youth scholarship from the New South Wales government to further her studies at TAFE New South Wales Riverina Institute. Her name is Annah McIntosh. She won one of three scholarships in the Riverina region and plans to complete her HSC before going on to university to study psychology. At Leeton in western New South Wales, certificate IV and advanced diploma courses in civil engineering design will be implemented in response to strong demand from industry and local government in the region. It is attracting students from as far away as Grafton, Wollongong, Barham and Tamworth.

The TAFE system delivers quality outcomes to where they are needed most, and the lack of interest in this educational system by the Howard government demonstrates that a skilled Australia has not been a priority for this government. The skills shortage widely recognises an acute shortage of engineers, and the civil engineering design course through Riverina Institute’s Leeton campus continues to build a strong following and is taking a second intake this month. This demonstrates another outstanding TAFE success story.

I have to agree with Senator Barnett that regional Australia has generally embraced the Australian technical college concept—and why wouldn’t they, as they see funding stripped away from their TAFE colleges and the colleges are working to deliver some community solutions for their young people? Communities where a college has been or is going to be established have welcomed the financial investment in their communities. The local communities, industry and businesses have rallied behind the development and establishment of the colleges, demonstrating absolutely the need for local outcomes for local skills problems that meet the longer term needs of their communities.

This Australian technical college ‘initiative’ announced during the 2004 federal election is really a furphy. It is a move that has been demonstrated to be a knee-jerk reaction by the Howard government to the skills shortage. Responsibility for the promises and the spending offers made during the election cycles needs to be focused on delivering quality and well-founded community-benefiting programs. This particular program saw large investments in regional Australia, and, as I said, for the most part communities will embrace the government spending dollars in their backyard—and who would blame them for doing that?

However, there are many communities that do not perhaps believe that what is offered will always deliver the best outcomes—or, in fact, deliver at all—and this promise is one of those. In the 2004 election framework the Howard government finally woke up to the skills crisis, which has been costing our economy millions. It has now taken three years to get that political solution, that political fix, off the ground, and it still is not going to produce a graduate until 2010. The businesses, communities and individuals of Australia do not deserve just an-
other funding promise because we are now entering the next election phase.

The New South Wales government actually has a practical solution: it is implementing a very innovative incentive and assistance package to assist rural and remote communities to attract key trained staff. At the moment we are seeing some initiatives being introduced in several public sector agencies, including in health, justice and community services. The package includes performance based cash incentives and assistance with relocation and housing costs, professional development and training opportunities, the provision of equipment to enhance work performance, and enhanced compassionate travel for family visits.

The Commonwealth’s role in the Australian education system is the provision of national leadership. The Australian Labor Party is committed to working with the states and territories and the non-government sector to develop a more productive system of education, with less duplication of services. Labor is committed to educating our nation, and has made education one of the three priorities on the federalism agenda for a future federal Labor government. But, in the meantime, we are stuck with having to prop up the Australian technical college initiative of this government because of the underfunding of the process. Labor will be supporting this legislation while recognising that there are fatal flaws in the whole system but understanding that communities are waiting to hear that the commitment they have put into local solutions will actually see them delivered.

Senator CHAPMAN (South Australia) (11.16 am)—I say in response to Senator Stephens: this bill has nothing to do with an issue of underfunding; what it has to do with is the enthusiasm and the excitement with which parents have embraced the concept of the Australian technical colleges initiated by the Howard government. The Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 amends the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Act 2005 to provide additional funding of $112.6 million over the years 2005 to 2009 for the establishment and operation of Australian technical colleges. As I said, what that reflects is the enthusiasm with which the community has embraced this commitment and initiative of the Howard government. The original act implemented a Howard government commitment made during the 2004 election that provides for the establishment and operation of 25 Australian technical colleges for up to 7,500 year 11 and 12 students in 24 nominated regions across Australia.

The bill that we are debating today builds on that existing policy initiative from the Howard government to provide the workforce skills that employers are demanding. This is a consequence of the high demand for goods and services, both within Australia and by overseas customers, resulting from the strong and competitive economy which the Howard government’s economic reforms have built. Our economy is strong and, provided a Liberal-National government retains the reins of government, it will remain strong.

Therefore, while it is opportune to remind the Senate of the initiative being enhanced by this legislation, it is also prudent to build on that by considering new policy options. I will do that in a few moments and contrast those options with Mr Rudd’s recent deceptive and empty rhetoric which he has called his ‘education revolution’. As I said at the beginning of my remarks, the Howard government has taken up the challenge with regard to technical education by establishing 25 Australian technical colleges across 24
regions to promote pride and excellence in the teaching and acquiring of trade skills at the secondary school level at an initial cost of $343.6 million. This legislation provides an extra $112.6 million for the Australian technical college program until the end of 2009.

The Australian technical colleges will meet the increasing demand for skilled tradespeople throughout Australia and, once fully operational, will provide up to 7,500 young Australians a year with the opportunity to combine an Australian school based apprenticeship in a trade with their senior secondary school studies. Further, the Australian government is delivering a range of initiatives through to 2010 as part of its $11.3 billion investment in Australia’s future—the biggest commitment to vocational and technical education by any government in Australia’s history. That gives the lie to what we are hearing from the opposite side in this chamber today. This is the biggest commitment in technical and vocational education in Australia’s history.

The Australian technical college at Christie Downs in South Australia, for which the very hardworking member for Kingston, Kym Richardson, and I lobbied extremely hard—

Senator Brandis—He’s a great man.

Senator CHAPMAN—He is indeed. He is an excellent representative of the people living in the Kingston electorate and works very hard on their behalf to deliver programs and support for that community. That college is a $16 million project. It opened its doors two weeks ago with 105 students. Next year that will double to more than 200, and by its fifth year of operation there will be some 450 students at the Australian technical college at Christie Downs.

I said earlier that the reason we are providing this additional funding is the enthusiasm with which parents have engaged in the opportunity for their children to become part of the Australian technical college program. That enthusiasm for this Howard government initiative was demonstrated very clearly last year, when more than 300 parents crammed into a hall at Christie Downs for an information night on the college. The program for Australian technical colleges builds on the Howard government’s highly effective New Apprenticeships scheme in addressing our skills shortage.

Under the 10 years of strong economic management of the Howard government, the number of new apprentices in training has grown from 143,700 in 1995 to more than 400,000 today. Statistics from the National Centre for Vocational Education Research report that in the 12 months to 30 June 2006 new commencements of Australian apprenticeships grew to 267,200. Looking at broader industry requirements for skilled workers in areas requiring strong skills in maths and science, such as engineering and biotechnology, we must see our classrooms and universities as the soil to grow the seeds of our innovative nation.

Under the Howard government initiative Skills for the Future, specifically addressing the national skills shortage, an extra 510 HECS-supported engineering places have been made available this year, with an additional 500 in 2008. Motivated by industry based supply shortages, this will also meet unmet student demand for engineering courses. These facts demonstrate that the Australian government’s initiatives in encouraging people to take up training opportunities, particularly in the trades but also at the professional level, are working. We need to build on this foundation. Education is a fundamental component of our innovation policy, producing enormous future productivity throughout the economy, and is at the
core of building a knowledge based economy.

Global markets are increasingly dominated by a greater dependence on knowledge, information and high skill levels. The interplay of supply and demand between education and industry requires long-term policy objectives which link to specific policies. We need to engage the imagination and expectations of children and young adults. At the school level, for a national policy strategy on maths and science, I am advocating the development of a nationally linked science education network as an option that could be administered under the existing Skills for the Future initiative.

Under this option, science and maths teachers would be able to pair with science related industry and research and development professionals across the public and private sectors in classroom mentor partnerships, supported by an ongoing national web based awareness and careers campaign, including a comprehensive suite of teaching aid materials. Students could also engage in an online youth science network, using blogs, video files, podcasts and science topic chat rooms to enhance their interactive experience.

Organisations such as CSIRO and Questacon need to play a vital role in working with a national steering committee in the development of web based resources, teaching aid materials and interactive design and content solutions. In this way students will get excited about science and maths, and that is the important issue in ensuring that they embark on further education and careers in the key fields of demand.

In addressing ongoing teacher motivation and teaching innovation, an online teacher network would be a valuable initiative, combined with short-term industry placements for teachers in science and maths related areas about which they feel passionate, so that they get knowledge and experience of what is required in the workplace with regard to science and maths. The answer is about not just enticing good science and maths teachers back into the system but also changing what often amounts to cultures of institution- alised mediocrity.

Post-secondary education provides another critical opportunity to develop targeted incentives that are well integrated with a school based strategy. For example, targeted government-funded HECS scholarships for broad based maths and science fields not only bring a strong element of prestige to a student but also certainly look great on a CV when finding that first job.

The ideas that I am putting forward contrast markedly with those of the Leader of the Opposition, Kevin Rudd. He recently proposed a HECS reduction for maths and science degrees. This completely fails to address the awareness and motivation which is the key to young adults getting excited about and engaging in maths and science. In light of what motivates students, such a proposal would be ineffective in lifting student numbers in maths and science. HECS fees are not the issue. The issue is developing interest and motivation among young people for maths and science based studies. The Rudd HECS sweetener is ultimately an ineffective policy tool. There are simply no solid policy responses in Mr Rudd’s quagmire of deceptive rhetoric. The so-called ‘education revolution’ which he has proposed is little more than a cut-and-paste job from then British Labour opposition leader Tony Blair’s 1997 campaign.

Furthermore, it needs to be noted that Australia’s spending on tertiary education has not declined by seven per cent between 1995 and 2003, as Mr Rudd claims. The OECD figures exclude 75 per cent of fund-
ing for vocational and technical education which is included for other countries. When comparing apples with apples, OECD figures show total Australian expenditure on tertiary educational institutions actually increased by 25 per cent in real terms between 1995 and 2003. Australian government investment in Australian universities increased by 7.7 per cent in real terms over that period.

Mr Rudd needs to stop his deceptive rhetoric. We need real policy solutions, not his deceptive rhetoric. It is a matter of looking at trends in education and industry and linking those trends with a responsible and balanced perspective and a continual focus on struggling families, community wellbeing and economic growth, which are clearly demonstrated by the policies of the Howard government. They are clearly reflected in this legislation today. I commend the legislation to the Senate.

Senator POLLEY (Tasmania) (11.27 am)—I rise to speak on the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006. This bill amends the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Act 2005, which originally provided for the establishment and operation of Australian technical colleges. The act provides funding for the operation of the colleges from 2005 to 2009. This bill will increase the funding for Australian technical colleges for the 2006-2009 period, increasing the total funding provided for under the act by $112.6 million, from $343.6 million to $456.2 million until 2009. Labor supports this increase in funding to the Australian technical colleges as a welcome turnaround from the government’s record when it comes to funding in the skills sector.

As we all know, the Australian technical colleges were hastily introduced by the Howard government during the 2004 election campaign as an attempt at a quick fix for Australia’s skilled labour crisis. Let me be clear: I am not opposed to those involved in the Australian technical colleges; however, senators opposite have tried to imply that in some of the comments they have made in the chamber today. My view is: why reinvent the wheel? Why not invest? Why didn’t the government reinvest in the TAFE system that has, in broad terms, the runs on the board and has proved, beyond any shadow of a doubt, that it has the skills, the experience and the expertise to ensure that things do not end up like now, where we have a skills crisis in this country under the leadership of the Howard government following the last 11 long and difficult years? As usual, though, we see government senators trying to rewrite history and gloss over the facts. If you talk to people within the community, it is very evident that there is a massive skills shortage and that people in everyday rural communities and in the cities are really struggling.

The introduction of technical colleges followed successive cuts in federal funding since 1997 for the TAFE sector. But it was a clear-cut case of too little too late, as the limited interest in enrolments and the repeated delays in implementation did little to address the problem. However, the government’s attempt to at least appear to be doing something about the skills crisis is encouraging.

Labor has repeatedly argued that funding for these colleges will have little or no impact on the current skills crisis because students currently attending these colleges will not graduate until 2010. While the money that this bill will direct towards additional funding for these colleges is welcome as a step forward, the money could be redirected to much more productive areas, including traditional apprenticeships and additional funding for the TAFE sector. We all know, as I said before, that these are outstanding edu-
Over the 10 or so long years of the Howard government, 300,000 Australians have been turned away from TAFE. The Prime Minister’s answer, when faced with a shortage of skills, has not been to look to training Australians and towards the future but to import hundreds of thousands of extra skilled migrants. Australia’s economy cannot be reliant upon imported labour for the future. Australia needs a government that will invest in our TAFEs and universities to produce the tradespeople, engineers, scientists, doctors and nurses that Australia so desperately needs.

Australian communities are already suffering as a result of the Howard government’s trade policies. The recently announced closure of the Blundstone factory in Hobart is yet another casualty of the Prime Minister’s tariff reductions and active encouragement of business to head offshore to look for cheaper labour. It seems that the newspapers in Tasmania have a story every other day about the latest factory closure and the latest slashing of jobs in unavoidable ‘restructures’. Yet at the same time I hear stories from constituents who are finding it very difficult to acquire tradespeople to build their homes or to do renovations. In Launceston only last week we saw 30 long-term employees of ACL Bearing made redundant, with another 60 to go over the next couple of months.

Not only is this government doing nothing to encourage Australians to train in the skills sector; it is also encouraging Australian companies to use offshore labour, thus slowly eating away at our already depleted skills base. The Howard government offers Australians a wealth of contradictions but no fresh solutions to Australia’s skills crisis, despite the fact that it has admitted the failure in its approach to the skills sector.

In November last year the Reserve Bank warned that, because skills ‘shortages are widespread across most industries and skill levels’, core inflation in the Australian economy will remain high for several years. The Australian Industry Group says Australia will need an extra 100,000 tradespeople by 2010, and a recent audit by the Department of Education, Science and Training found Australia will also need an extra 20,000 scientists and engineers in the next six years.

While Labor welcomes any additional funding that will benefit Australia’s skills shortage, the Howard government should be questioning whether its tech colleges are the best possible use of the money it has available. You would think figures like those that the Australian Industry Group has quoted and the warning of the Reserve Bank would be enough to make the Prime Minister and his government act.

Labor’s priority is to turn around the skills crisis by training Australians—first, by redirecting funding to the TAFE sector and vocational education initiatives. Australia’s future is reliant on investment in the skills sector today. Australia needs a government that understands that our skilled workers are our most valuable asset. The Howard government will never understand that concept, as it has proven over the last 10 or so long years.

Senator McGAURAN (Victoria) (11.37 am)—We are debating today the government’s Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006. The purpose of the bill is to increase the Australian government’s contribution to its establishment of some 25 technical colleges from its original $343 million to $456 million. That is an increase of $112 million. And it is necessary to
bring in this amendment bill. The fact is that the establishment of the technical colleges in the original bill has been a success. The additional funding will provide the capacity for the technical colleges to provide high levels of support to both students and employers who engage students as Australia’s school based apprentices.

The key feature of the technical colleges program is flexibility. Each college has been encouraged to pursue a model that best meets the needs of the region in which it is established. This flexibility has resulted in the operational costs necessary to get each college up and running being far higher than was originally expected. These costs vary from college to college because the secret of the success of this program is listening to the regions, the local educators, the local chamber of commerce, the local businessmen and all those who have an interest in establishing the technical colleges. That has been the secret of its success and that is why today we seek to introduce this bill to increase the funding for the colleges.

As the government speakers have rightly outlined, against the railings of the other side, the purpose of the technical colleges is to attract young people back to the trades. It is vital that we do that because it is true to say that Australia is facing a chronic skills shortage—and I will speak on that matter later. But this is a long-term policy to put in place an educational system that attracts young people who, unless the technical colleges had been established, would not otherwise be attracted to the trades. It takes up grades 11 and 12 so that students can advance their apprenticeship in a trade. The Australian technical college initiative offers a new approach to achieving this and forms an important part of the Australian government’s overall strategy in tackling the skills shortages which we are now facing.

The technical colleges will promote trade qualifications as a highly valued alternative to a university degree and will develop a reputation that will show students and parents that vocational education and training in the trades is a secure career, a career in demand, a long-term career and certainly one that has a high rate of return. We initially had a plan to establish 25 colleges. Twenty of those have already signed up and are receiving funding. Over 2,000 students will be educated in a trade and, at its peak, there will be 7,500 students. Those figures are different from those quoted by the other side, but they are the figures: 24 of the 25 Australian technical colleges have been announced; 20 of these have received government funding and all will be fully operational by 2009; 2,000 students are in training and, at its peak, there will be 7,500. This is a policy we announced before the 2004 election. It is now early 2007. It takes time to establish the technical colleges. In fact, the government will say it has been done very quickly, such has been the interest within the local regions and the popularity of the idea to build a new school from the bottom up. There has been absolutely no cooperation from the other side or from the state governments, but the demand has been great from the local communities.

I would say the previous minister, Mr Hardgrave, deserves a medal for the way he went about establishing these particular colleges. The government has acted in haste and the people in local government and their local communities have accepted the establishment of the technical colleges in the region. In fact, many of the regions that missed out lament it to be so. So much so, I would say, that once the 25 are set up, this is the sort of program that will go from 25 to 50 to 100 technical colleges, which of course the other side do not particularly want. If you had listened to the previous speakers, and I particularly single out two of the previous
speakers, Senator George Campbell, who is in the chamber now, and Senator Carr who opened up the debate for the government— for the opposition—

Senator Conroy—For the government! You can’t take him anywhere, can you?

Senator McGauran—Senator Conroy, the Freudian slip there was that Senator Carr was part of the state government as an adviser to the Carr-Kirner government when they abolished the technical colleges in Victoria—

Senator Conroy—It was the Cain government.

Senator McGauran—Well, ask John Cain what he thought of Senator Carr—that it was the Carr-Kirner government; that he interfered in just about every decision that John Cain, as the then Premier, had to make. One of them was the abolition of technical colleges. One of the great mistakes of all state governments was no less than that one in Victoria. Senator Carr led the debate for the opposition on this issue, declaring that they were actually going to support the bill. You would not have thought so if you heard his speech because he railed against the government’s policy of returning the technical colleges. He called it tokenistic, hasty and a stunt. This man stands firmly against the establishment of technical colleges because he, his party, his philosophy, the left wing in Victoria, were party to the abolition of technical colleges. What a disgrace that decision was when it was made, and what an effect it has had since then: two decades of a lost generation of young people, particularly boys, who could have entered the trades. They were told by the likes of Senator Carr: ‘Go to university; do some mickey mouse course. Go to university—there is more pride in that.’ There was something to be ashamed of in taking up a trade in the eighties and nineties.

I was most surprised to see Senator Campbell get up here and endorse that belief and philosophy and past policy. He is an old unionist, as distinct from Senator Carr, who is nothing but a Trotskyite leftie whose philosophies are stuck in the old world. So to see Senator Campbell get up and also rail against the government policies of technical colleges was most surprising, disappointing and pathetic.

Senator George Campbell interjecting—

Senator McGauran—Here is an old unionist who benefited from the technical colleges, who probably went to a form of technical college in Northern Ireland himself and who came in here and railed against the philosophy and the principle of trade schools.

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! Senators Conroy and Campbell, I would appreciate it if you would hear the speaker in silence. Senator McGauran, resume your speech, please.

Senator McGauran—I was making the point that, of all people, Senator Campbell, an old unionist who made his profession and his political career based on defending the workers, the tradies, had come in here and railed against what he knows is a successful program, one that was successful before it was abolished and was an avenue for young people to take up trades. Those young people were the ones who did not want to go to university, who were not suited to university and would get nothing out of university; in fact, they probably never even bothered to go to university. To cut off that lifeline that technical colleges were in the seventies and eighties and to maintain your tirade against it, Senator Campbell, makes you nothing more than a shameless lackey of the Labor Party policy—
Senator George Campbell—I beg your pardon!

Senator Conroy—Madam Acting Deputy President, he is crossing a line there.

The ACTING DEPUTY PRESIDENT—Stand up then. Do you wish to take a point of order, Senator Campbell?

Senator Conroy—I think you should just call him to order without us having to take a point of order.

Senator George Campbell—Yes, I should not need to take a point of order. You should not allow him to use language like that in the chamber.

The ACTING DEPUTY PRESIDENT—That is verging on unparliamentary remarks, Senator McGauran, and I would like you to withdraw that phrase.

Senator McGauran—I withdraw it.

My point was about hearing that from the likes of Senator Campbell, who prides himself on being an old-time unionist. I heard Senator Sterle say that too, but he is nothing of the sort. I will say that Senator Campbell comes from the deepest of union roots, and that probably goes back to Northern Ireland. My point was that he has simply fallen in line behind the Labor Party policy to object to this for the sake of opposition, for the sake of objecting to it simply because it is yet another government reform. There has not been a reform that the other side have not objected to, from our very first term when we sought to balance the budget. They were against balancing budgets. They were against reducing debts. They were against our first tranche of industrial relations reforms. They were against—

Senator Brandis—Tax cuts.

Senator McGauran—I am reminded by the new minister that they were even against tax cuts. They are against everything. I could go through the whole list—

Senator Hutches—GST.

Senator McGauran—You were against the GST, then you were back on board, of course. I could go through a whole litany of reforms, and you have not supported one. Time does not permit but I could identify how each one has been proven a correct policy by the government. We had to make the hard decisions and we had to get them through a hostile Senate, but we stuck to our guns. And I can point to each one of them feeding into an economy that has strength today. To those on the other side I say: you do not get a strong economy unless you manage it responsibly and you make some hard decisions. You seem to think it just appears overnight. It does not.

This is one of the hard decisions we have had to make, and you have railed against it. This might have been the one exception when you could have stood back and said, ‘We agree with the return of the technical colleges. We have a trades shortage, a skills shortage, in this country. It is a good long-term policy. Those politicians of the eighties who abolished it, those state governments—ironically, Labor state governments—who abolished it based on some sort of academic snobbery were wrong. It is 20 years on now and we will return them. We can see the benefit in it.’ In your heart of hearts you know that. That is the foolishness of all this. Senator Carr does not know it; he wants to constantly rewrite history. But Senator Campbell, Senator Conroy and Senator Hutchins—the three Labor Party senators who bothered to turn up in the chamber today—know it to be so but they are maintaining this line that it is not so. What an absurdity you have reached as an opposition.

Having made those points about the debaters on the other side, in the short time I have left I would like to address the issue of the skills shortage. Of course, the Australian
technical colleges are one arm of the government’s strategy to tackle the skills shortage. This situation—and things have come to a crisis point now— is a consequence of a successful economy that has grown over the past 10 years. When you have unemployment of some 4.6 per cent—nearing full employment, whatever that magical figure is of full employment—of course you are going to have a tight labour market, and skills such as those of plumbers, electricians, engineers and other experts are going to be hard to find. Quite frankly, a good plumber has been hard to find for a long time, but it is even harder now because most of them are over in Western Australia earning big money. The rate of return for skilled workers now across the board, particularly in the trades, is very high. Just like a decade ago, when accountants were hard to find and people started filling accounting courses at universities, to a degree the market will again solve this problem: it will increase the rate of returns. It will become attractive to take up plumbing as a profession or to become an electrician or a carpenter. The market will attract people into these trades.

Over and above that, the government believe that intervention is necessary and incentive is necessary. To that end, we have introduced a very short-term policy—that is, to increase our migration skills program up to a ceiling of 97,000 new migrants, if that ceiling is able to be filled. There is a skills shortage right across the world and every country is attempting to attract skilled labourers. Australia has increased its skilled migration program as a short-term policy, but, most importantly, we established the Australian Apprenticeships scheme. The Australian Apprenticeships scheme has been a huge success, regardless of what Senator George Campbell said in trying to find fault with it. The success of it is in its figures. When we first came to government, there were only 154,000 apprentices in training. That was the legacy of the previous Labor government. In a decade of giving incentive payments to employers and employees—apprentices—we have lifted that piddly little figure of 154,00 to 400,000 apprentices in training today. That is an enormous success. With the technical colleges, that figure can only go higher.

Added to that, late last year the government announced its work skills voucher system to attract older and more mature workers back to the trades to take up an apprenticeship. It provides for those who left school in year 12, who probably looked for a tech college and would have gone to tech college but did not find one, and who would not go to university. They are exactly the type we will pick up under this new policy. The generation coming up will find a tech college to go to. Under this policy, we are introducing a voucher system so that those who are unskilled and left school at year 12 will be able to collect a voucher from the government and take up training in a skill. It is for people 25 years old and over. Mature, unemployed and unskilled people can take up this new government voucher system. That is a tremendous initiative.

Of course, we do not expect credit from the other side, but we do not expect damnation either. The other side should show some national interest. Is there anything in the national interest you will support from this side of government? You lost the majority in the Senate on the grounds you were obstructionist for 10 years—you ought to wake up to that. We did not receive the majority at the last election for no reason at all. The public could quite easily see you were obstructionist for the sake of obstruction. This is one particular area where one would think you could come to the party but, no, you decide not to.
Senator Conroy—We are voting for this.

Senator McGauran—Sure, at the end of the day, you are going to vote for this bill. It is inconsequential. You spend all your broadcast time railing against the government’s introduction of technical colleges. It is senseless. It is mindless. It is trying to hold onto some—

Senator Conroy—Julian, we are voting for it.

The Acting Deputy President—Order!

Senator McGauran—I am happy to take the interjection if it is of any intelligence at all, Madam Acting Deputy President.

The Acting Deputy President—Please proceed with your speech, Senator McGauran. Are you finished?

Senator McGauran—I thought you were sitting me down.

The Acting Deputy President—You have 55 seconds left.

Senator McGauran—In that 55 seconds, I urge the Senate to support this bill, not just in voting patterns. Stand up for it. Senator Hutchins, you are the next speaker. You have some balance and sense that the others obviously do not carry. I appeal to you. We are happy to take a bit of flak if it is based on some fact and we will even take a bit of political flak if you decide to throw it our way. In essence, could you acknowledge in principle that the technical colleges ought to be re-established and that they are a good thing?

Senator Hutchins (New South Wales) (11.58 am)—I will try to inject that balance that Senator McGauran has invited me to do. But, first of all, I refer to the allegation that Senator George Campbell is a Trotskyite. I have known Senator George Campbell for 30-odd years and—

Senator McGauran—I raise a point of order, Madam Acting Deputy President. That is a gross misrepresentation. I meant Senator Carr. Everyone knows Senator Carr is the Trotskyite. It could not be more wrong to say it is Senator George Campbell. If I did say Senator Campbell, I withdraw.

The Acting Deputy President—There is no point of order. I made rulings to allow you to deliver your words in silence and I would ask you to extend the courtesy to Senator Hutchins.

Senator Hutchins—The point is that, as I said, Senator George Campbell has never been a Trotskyite. I know Senator McGauran has tried to correct the record now. Senator Campbell has probably been many things, but he did draw the line at that. I am also aware that Senator Campbell was an apprentice on the shipyards in Northern Ireland. I think he may have served one of the longest apprenticeships because of his political and industrial activity at the time. Nevertheless, he did get apprenticed and did come to Australia and make a fine contribution to our political and industrial life.

In speaking to the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006 I would like to raise some significant concerns about the nature of this bill and about this country’s future as a skilled nation. The bill seeks to increase the funding allocation to the government’s 25 Australian technical colleges by around $100 million.

In principle, Labor supports the funding of vocational training in this country. But this bill and the government’s policy approach represent a political solution to a very real problem. I question this government’s commitment to vocational education in Australia. I question it on the basis that it has been one of the most neglected sectors in education for the past 10 years. I question it because we
have faced a very clear shortage in key skills over the past few years and the other side refuse to even acknowledge the seriousness of the situation.

Australia stands in the grip of a very profitable commodities boom. We are in the midst of a once-in-a-generation opportunity to make the most of the growing demand for our natural resources. As the record profits from mining companies keep rolling in, so the business tax revenues keep lining the coffers of the government. We have seen massive surpluses almost entirely off the back of this boom.

A government with foresight would have had the wisdom to make use of this extraordinary period to reinvest that revenue so that we could lay the groundwork for our future prosperity, because anyone with common sense will tell you there is always an end to a boom, and we need to make sure that, when that comes, it will be a transition to a new stage in our economic development, rather than a drop in our fiscal health. What we have seen from this government, however, indicates that they have no such foresight. I fear the opportunities we had now lie squandered because the coalition has been too complacent and too driven by ideology to adequately address the challenges of the future.

In particular, I make reference to the skills shortage that currently grips Australia. The government is eager to pin this shortage entirely on the mining and commodities industries in Western Australia, Northern Territory and Queensland. And, of course, the strength of the sector in those regions is attracting many of the country’s skilled workers—mechanics, truck drivers, engineers, miners, even plumbers—but it is not the only cause for the shortage we face.

If we were to indulge in an exercise of finger pointing, we would have to take aim squarely at this government. After 10 long years of the coalition, there is still no optimism from industry as to Australia turning around its skills shortage.

Dan O’Toole, the head of Coffey Mining, told the Australian Journal of Mining earlier last year that the lack of skilled employees is eating away at the profitability of Australian companies. He said:

We believe the problem will become so bad that public companies will eventually be required to report to the ASX on issues such as succession planning and sustainability of their professional staffing. This will be seen as a significant factor in determining the profit viability and capital growth value of a company.

Mr O’Toole talked specifically about the difficulty in recruiting engineers, with some companies spending up to 12 months to find a candidate, and the all too familiar overseas recruitment from China, India, Turkey, Canada or Zambia. This all, of course, comes at a significant cost. And that is just one example.

The scale of the skills shortage is huge: the Australian Industry Group estimates that to fill the current demand we need an additional 270,000 trained people. The February skilled vacancies index showed that vacancies had risen by 6.1 per cent over the past year. The information and communications technology sector, which has seen a decline in personnel since the dotcom bust, recorded a 35.1 per cent increase in vacancies since February 2006, the highest point since August 2001. The Reserve Bank of Australia has continually pointed to capacity constraints as a key contributing factor to inflationary pressures. Business is butting up against a labour market that cannot meet its needs simply because it does not hold the skills.

Despite these obvious barriers to the expansion and sustained profitability of Australian business, the government’s response has been woefully inadequate. Surely if we have
such a dire skills shortage, the reasonable
ing to be to invest in the educa-
tion and vocational skills infrastructure we
already have in this country. Our TAFE
schools have the staff and expertise to be
leading the way in vocational training in
Australia. Instead of investing in this valu-
able resource, the government has ignored it.
We have seen 325,000 people turned away
from TAFE because there were not the funds
to accommodate them.

Australia is the only country in the OECD
to have actually disinvested in its education
and training. Over the long decade of the
Howard government, Australia has gone
backwards in its spending on universities and
vocational education by some seven per cent.
Comparable countries in the OECD have
increased their spending by almost 50 per
cent over that same period.

We are being overtaken not only by
OECD countries but also by developing
countries like China and India, who are beat-
ing us on the skilling of their workforces.
They are turning out engineers and scientists
from their universities at a rate we could
only dream of, and it is helping to stoke and
sustain the economic growth these countries
are experiencing.

Despite the obvious solution presenting it-
self—that is, to commit to investing in Aus-
tralia’s education and training—the govern-
ment has sat idle for 10 years. Its greatest
endeavour to solve the skills crisis has been
to allow an explosion in 457 visas, which
permit holders to enter Australia for up to
two years. They do not have to hold specific
skills; they do not even have to be able to
read and comprehend safety signs; they can
be paid below award rates and exploited by
unscrupulous bosses. The government has
said we need to solve the skills crisis, so we
will make it easier for employers to bring in
457 workers. But the fairly sordid track re-
cord of that program has shown it goes no-
where towards fixing the skills crisis we
have but goes towards creating a crisis of its
own. The government would rather import
workers than train Australians. The govern-
ment prefers a short-term, stopgap measure
to a long-term commitment to the skilling of
our country’s workforce.

That brings me to the Australian technical
colleges the government is building around
Australia. We on this side have long pointed
to the inefficiencies in the ATC system, quite
simply because it seeks to duplicate the vo-
cational training infrastructure we already
have. TAFE still delivers around 70 per cent
of the skills training in Australia and would
be capable of more if only this government
recognised its important role and funded it
accordingly. But it cannot seem to overcome
its ideological opposition to the TAFE sys-
tem, nor can it get past the blame game and
cooperate with the states.

Nationwide, the ATCs will only have
7,500 students by 2009. Faced with an im-
mediate shortfall of 275,000 skilled workers,
there would need to be 37 times this number
of students to catch up. Seven thousand five
hundred students in ATCs represent around
two per cent of the number of prospective
trainees turned away from TAFE colleges
over the past decade. Faced with a yawning
gap of a quarter of a million skilled people in
the present workforce, the government
proudly boasts that it will deliver three per
cent of that shortfall by 2009.

I would like to focus, in particular, on
Western Sydney, where I am based and
where there is significant demand for voca-
tional training in trades. I was extremely dis-
appointed that, despite the rhetoric associ-
ated with the ATCs, it seems the government
has very little intention of seriously deliver-
ing skills based education in Western Syd-
ney. The ATC for my home region is based at
Rouse Hill Anglican College and will, for 2007, offer 25 places. The promise is that this will expand to 150 by next year, but that is conditional on the selection of a site, which has yet to be finalised, the construction of the buildings and the development of a curriculum. Even the CEO of Sydney Anglican Schools Corporation, Dr Laurie Sandrett, is on the record as saying that opening the ATC by 2008 would be ‘ambitious’.

One ATC for Western Sydney is a joke. This is a region that contains 14 local governments, 150 of Australia’s top 500 businesses and around two million people. It is one of the largest economies in the country, contributing one-third of the gross regional product of New South Wales, with a massive industrial base perched on major transport corridors like the M7, M4 and M2 motorways. A quarter of the Western Sydney workforce is employed in the manufacturing and construction industries. And to service the skills needs of Western Sydney, to train the thousands of young people wanting to learn a traditional trade, the government offers up an ATC at Rouse Hill with 25 places, possibly growing to 150 if the permanent facility can be started and completed by next year!

Just by way of comparison, the University of Western Sydney in 2004 had more than 34,000 enrolments; South Western Sydney Institute of TAFE had 76,000 in 2005; and the Western Sydney Institute of TAFE in 2005 had more than 87,000 students enrolled. And in Western Sydney we get one college with 25 places! Adelaide, with a population half that of Western Sydney, at least has two of these technical colleges. What does a 16-year-old year 11 student in Penrith do if he or she wants to get a place in the Western Sydney ATC? The last time I checked, there were not many school buses headed to Rouse Hill from Penrith, so it would fall on the parents to make the 40-minute journey to and from the college. The same goes for students in Campbelltown or Liverpool, who are about 50 kilometres away.

We know the coalition is not really interested in doing anything long term about the skills crisis, and now we know it is not really interested in helping young people in Western Sydney train to be tradespeople. All it seems to want to do is pay lip-service to both. The warnings from industry and from the Reserve Bank are out there, as they have been for the past several years—and they are grim: train young Australians or we will continue to be crippled by a skills shortage; close the gap or business will be hamstrung by the constraint in capacity and see it eat into long-term profitability; broaden the skills base of Australians or see continued inflationary pressure and further rises, as indicated by Glenn Stevens last week, in interest rates; put the focus back on skilling Australia or fall behind every other competitor nation, both developed and developing.

The coalition’s response has been a disinvestment in education of seven per cent over the last 10 years, a reliance on overseas workers who do not necessarily fill the shortages we have, and a series of technical colleges that duplicate the services already available from TAFE and will ultimately deliver less than three per cent of the skilled workers we need to cover the gap. We deserve more. We need the government to pay far more attention than they have previously.

Senator HURLEY (South Australia) (12.13 pm)—I would like first of all to talk about the Australian technical college that has been established in the northern suburbs of Adelaide. The northern suburbs of Adelaide is an area of very high youth unemployment, often about double the state average. It is an area where training for job skill- ing is desperately needed. I am very pleased indeed that a technical college has been set
up in the northern suburbs. This college is well supported by the local area. It was established by a consortium comprising the Catholic Archdiocese of Adelaide in partnership with the Northern Adelaide Industry Group, which includes leading manufacturing and industrial companies in the area—Steel Building Systems Pty Ltd, Hirotec Australia, ZF Lemforder Australia and the RAAF Workforce Development Unit—as well as employment and group training organisations. It is currently housed in temporary quarters—an old council depot at Elizabeth, which is nevertheless quite a useful facility—and it is under Principal Rob Thomas, who, if I am not mistaken, was deputy principal at St Columba College, where my son went to school, which is also out in the northern suburbs.

There are a number of other job training and support facilities in the area. Indeed, just last week I went to one that was set up by the Boys Town group. It operates at the TAFE campus at Elizabeth under the management of Trevor Grant, whom I have known for a long time. He has been working in the northern suburbs in the area of employment for both the federal government and other organisations. He is well experienced in this area. They concentrate on helping children who otherwise would probably have fallen through the cracks in the schooling system. They concentrate on a number of areas before they even think about further education—including literacy, numeracy and social stability—because it is certainly very difficult for any student to study and think about long-term prospects if they do not even have a home to go to or if the home they are in is fraught with violence, instability and poverty. They have the ability to deal with these issues in conjunction with their partner organisations as well as encouraging their students to go on to further education, preferably, or to jobs, possibly.

This illustrates the problem that we have to deal with. We are not dealing with straight educational opportunities. It is true that the resources boom and other economic factors have created a jump in employment. Frankly, that means we are talking about a harder cohort of students who would not necessarily have completed their education or gone on to further education. We need to think a bit more carefully about what is required and how we get them to fill the skills shortages that have developed in Australia. Many government members have talked about a labour shortage rather than a skills shortage. There may be some justification for that, but you still have to ask: what has the Liberal government been doing for the past 10 years to address the labour shortage, the participation rate and the skills shortage caused by students not going on to further education? The answer to that question, quite patently, is that the government has been doing things that are similar to the Australian technical colleges initiative. It is a good initiative on its own; it fills a particular niche and it is useful. But it is one of those things that the government does not do until the last minute, when there is a desperate need. It plugs the gap with an influx of money, of which this bill is a part; plugging in a bit more money to fill a problem.

Time and time again we have seen this approach across the range of government activities, particularly in education and training: you reach a crisis, put in a short-term solution and hope for the best. It is this government’s focus on short-term solutions—indeed, often political fixes—that has created a lot of serious problems for us in skills shortages and training. Successive education ministers have waited until it is a real political problem. They have tried to curry favour with the electorate by attacking teachers and bullying state governments. They have tried to deflect criticism and they have tried to
deflect attention away from the inadequacies of the system by putting in place things like a requirement for schools to fly flags or put up posters of Simpson and his donkey and things like that. There is nothing wrong with those things in themselves, but they do nothing to seriously address our education problems.

This happens not only in schools but in tertiary education as well. We had Brendan Nelson interfering with the giving out of research grants and so on. The Howard government has continued its approach, from when it first took government, of ripping funding out of education. Underfunding has continued and it has never quite caught up after that dreadful blow that the government dealt to education when it first got into government. The Liberal government seems to have a chronic inability to put plans in place for the future in large and important areas like education and training, and that is a great shame for this country. It is a long-lasting legacy of this government that it is unable to grapple with these complex problems.

On 20 February the Productivity Commission released a report on the potential benefits of a national reform agenda. The report illustrates to some extent the approach which might have been taken by the Howard Liberal government if it had had a strategic approach to education and training. It illustrates what we might have achieved if state and Commonwealth governments had worked together to get some improvement in education and training. The report’s proposed approach under the national reform agenda would pull together a number of strands that affect education, including early childhood development, literacy and numeracy, transition from school to work or further study, and adult learning. The Productivity Commission understands the intermeshing of the many different factors in education and skills training—something this government does not seem to be able to do in its own strategic deliberations.

The Productivity Commission states, under ‘Key points’ in the section headed ‘Education and training’:

- If outer-envelope NRA-induced educational attainments could be achieved, it is estimated that by 2030:
  - workforce participation could increase by up to 0.7 percentage points; and
  - aggregate labour productivity could increase by up to 1.2 per cent.

Those are all very important key outcomes that this government should have been looking for. We have had minister after minister lambast the education system for outcome driven education, but it is a pity that the Howard government did not have a few outcomes of its own to strive for such as these. It might have achieved them in its 10 years of government if it had not been fixated on short-term solutions. We need this kind of approach: a concerted whole-of-government approach to fixing problems right from early childhood development, including those problems that children have with literacy and numeracy. We are never going to make skilled apprentices of students who have severe literacy and numeracy problems. It sounds so straightforward and simple, but the government provides a short, dirty fix on skills training while not paying enough attention to the other end, where children are coming through school, to ensure that they have adequately fixed many children’s literacy and numeracy problems.

It is important to look at the overall aspects of education and not concentrate only on skills training. In this debate we have had a lot of emphasis, quite naturally, on the importance of apprenticeships and training in skills that are in short supply. There is no question in my mind that skilled boilermak-
ers, skilled fitters and turners, skilled plumbers and skilled hospitality workers are worth their weight in gold in terms of advancing our economy and that we do indeed need such people. But we also need tertiary educated people and we also need people in unskilled jobs who are satisfied in those jobs and are able to fulfil the criteria of those jobs.

I briefly want to go back to tertiary education. Statistics show that those in the northern suburbs of Adelaide, where we have an Australian technical college—and that is a good thing; we fixed that—are underrepresented in tertiary education. I want to see opportunities for everyone. If they have the desire to go into an apprenticeship for a trade, I absolutely agree that they should have that pathway available. But the evidence is that students from the northern suburbs are having trouble getting into tertiary education as well. The member for Wakefield, Mr David Fawcett, in talking about the initial bill for Australian technical colleges, said:

Trades should be valued as a first choice. Too often over the last 10 years—and, in fact, even before that—we have had career counsellors, teachers and other people say to students that if they do not complete year 12 and go to university then they are somehow a second-class citizen. That is very true, but you are not a second-class citizen if you go to university. We need not only apprentices but also engineers to guide them and managers to guide them, and directors of companies and people who create the products that those tradesmen and tradeswomen make. I think there is a great deal of talent amongst the people in the northern suburbs who are not making it into tertiary education. I call on this government to pay some attention to the fact that many academically talented students in the northern suburbs are still not getting into the university courses that they should be getting into. It is no good for anyone to think that, because the northern suburbs of Adelaide are a low-income area, they produce just factory and unskilled labour fodder. They have also produced—and could produce more—tertiary educated people of great value to the Australian economy. The government must, as the Rudd opposition is doing, look at the entire field of education to make education a priority for Australia and to give the opportunity to all Australians to go into whichever field of endeavour they feel is appropriate to them. Clearly, that is not happening in the northern suburbs of Adelaide at the moment.

Senator WORTLEY (South Australia) (12.28 pm)—I rise to support the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006. In doing so, I share the concerns already highlighted by my Labor colleagues in this chamber and in the House. While this bill appropriates funds to Australian technical colleges, we have some reservations about how effective this allocation will be. This is the second amendment to the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Act 2005.

The bill before us today seeks to increase the total funding appropriated under the act from $343.6 million to $456.2 million over the 2005-09 period. The government claims the increase of $112.6 million that we are dealing with today is needed because of cost increases associated with the start-up and operation of the colleges. The reality is that this is a significant cost blow-out in the government’s Australian technical colleges program. Obviously, it has not gone to plan. The colleges are behind schedule and the government have, without proper planning, pushed many of the ATCs to open on temporary sites. I understand that issues regarding registration and curriculum are in many cases still not resolved. Why have the gov-
ernment pushed to have the ATCs open when some are clearly not adequately prepared? Could it be because it is an election year?

We have serious concerns regarding the skills crisis we are facing today in Australia. The people of Australia have serious concerns. Parents are concerned that their children have not been able to gain entry to TAFE colleges or to other existing trade training. Industry is concerned that it is not able to access skilled workers. We will continue to be faced with these problems because of this government’s inadequate funding and its inaction in providing apprenticeships, training and adequate further education places for our young people.

For more than 10 long years, the Howard government has failed to deliver appropriate levels of skills training. It has neglected the skills required for our workforce. We have Australian business and industry sending recruitment personnel overseas to recruit skilled and highly trained staff to assist in addressing our skills shortages. This government must stop playing the blame game and accept responsibility for the skills crisis in Australia today. It must accept responsibility because it failed to commit to our young people who wanted to learn a trade. This government has delivered 10 long years of neglect in our TAFE system—the main institution for the education and training for vocational occupations in this country. Under the Howard government in the past eight years, more than 325,000 potential students have been turned away from the TAFE system. That is 325,000 Australians who have effectively been denied access to skills training that would have provided them with a skilled job for which they could have expected long-term employment opportunities—and industry and business could have expected skilled workers.

During the 2004 election campaign, the Prime Minister launched the Australian technical colleges policy to fix the skills crisis because it had become apparent to the Australian community that there was a problem. It had become a political issue in the same way that climate change has become an issue in the community. For years we had a government in denial, sceptical about climate change, but the political pressure has been put on because it is an election year and the government is again faced with making policy on the run.

In relation to vocational and further education and training in Australia, I make this comment: in my own state of South Australia three technical colleges have only just opened their doors in the last couple of weeks, although not all have permanent homes yet. I understand that the three technical colleges in South Australia combined have a total enrolment for this year of 270 students. According to the government’s claims, Australian technical colleges across Australia will create 7,500 places over four years. We know that this will not solve Australia’s skills crisis.

Educators have also raised concerns about the retention rates of students entering the ATCs because, with the workload demands placed on the students, there is the possibility of students leaving before they have completed their course. The academic workload, the training and the average eight-hour weekly industry placement, which may also be taken as block training, is a heavy workload for 16- and 17-year-olds. And when they complete their ATC training they will have only completed the first year of a three- or four-year apprenticeship. Given this, it is likely that the government’s target of 7,500 places over four years will not be met, because it is based on the assumption that every student who starts at an ATC will
complete their course. This just will not happen.

The TAFE system has doubled in size since 1995, yet federal government funding has fallen in real terms. Martin Riordan, the Executive Director of TAFE Directors Australia, which represents Australia’s 55 TAFE institutes, believes the government was wrong not to use the TAFE network as the base for the new ATCs. He has also called on the government to integrate the ATC network into the TAFE system, asking that the Commonwealth review the progress of the ATCs at the Council of Australian Governments meeting in April, and with good reason. In 2005 alone, the unmet demand for education and training places in TAFE institutes was 34,200. That is 34,200 people who wanted a place but could not get one. In the same year, the unmet demand in the whole of the vocational education training sector was 45,100. These are not just figures; these are 45,100 real people with real families who wanted to embark on training to gain skills who were turned away. This government should be working cooperatively with the states and increasing funding for programs that are already established and are working. These people should not have been turned away.

There have been concerns raised about the overall impact on the institutions already up and running in the TAFE and VET sectors which could be providing the skills training, but instead we have huge sums of money going into the government’s new ATC system. The average expenditure for each student who goes through the Australian technical colleges will exceed by thousands of dollars the average expenditure for each student in TAFE. In addition to the set-up and operational costs that we are discussing here today, Australian technical colleges are entitled to all of the funding available to schools under the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004. They are also entitled to general recurrent funding per student, most of them at the non-government school rate. They will also have available to them targeted funding for special programs and capital funding. But it does not end there: the ATCs will also receive the relevant state funding. The ATCs will receive all this while the Howard government fails to make a general commitment to our existing TAFE system.

Stephen Smith, the member for Perth and Labor’s shadow minister for education and training, got it right when he said that the skills shortage in this country:

... will only be resolved by a much greater investment in education generally. It will only be resolved by a much greater investment in further technical and vocational education and training, but making that investment on behalf of the Commonwealth, in conjunction with the states, using facilities that are currently available—refurbishing and enhancing them. We need agreement between the states and the Commonwealth about priorities and agreement with industry about what the skills needs will be down the track. That is the only sensible way forward in this area, and that will be the approach that Labor adopts in opposition and, subsequently, in government.

It is of concern that this government has failed to adequately fund our existing structures. When the first student graduates from an ATC in 2009, they will still only graduate with the first year of an apprenticeship—the first year of three or four. This too is of concern, because Australian industry cannot wait.

Senator CAROL BROWN (Tasmania) (12.38 pm)—In speaking to the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2006, I would like to firstly acknowledge the very excellent contribution made by my colleague Senator George Campbell, who outlined the failure of this
government to address the skills crisis and, in doing so, attracted the ire of Senator Ian Macdonald. I can understand that. This is a touchy subject for the government. They do not like to be reminded of the absolute inadequacy of their response to the crisis we face. It is a crisis that they ignored until the last federal election, in 2004, with the creation of the Australian technical colleges program—a decision that was not based on sound public policy; it was simply a political fix. Now Senator Ian Macdonald has tried to put a positive spin on the overwhelming evidence put forward today by Senator George Campbell. I suppose he believes that this is his job, but he failed. Why did Senator Ian Macdonald fail? Because the evidence is indeed overwhelming and the policy failure of this government is there for all to see. They have been exposed.

This bill appropriates additional funding of $112.6 million for the government’s Australian technical colleges over the period 2006 to 2009, bringing the total funding to $456.2 million over the period 2005 to 2009, nearly half a billion dollars. Labor have indicated that we will be supporting this bill as a matter of principle because any expenditure by the government to enhance vocational education and training and skills is welcome. However, we have made it clear throughout this debate and with our second reading amendment that this government has sat on its hands. The government have neglected skills training and have presided over a skills crisis—complacent in their inactivity until it dawned on them in 2004 that they needed to do something because of repeated calls from Labor, industry and the sector. But, unfortunately, their response has been inadequate. They continue to fail to make the necessary investment needed to address the skills crisis.

They have refused to cooperate with the states, preferring to wait until around 2010-12 for these Australian technical colleges to produce one single qualified tradesperson. By that time, as has been projected by the Australian Industry Group, Australia’s skills shortage will mean hundreds of thousands of vacancies. But the government is content to see, at best, around 7½ thousand tradespeople graduate at a cost of nearly half a billion. This is their effort to relieve the nation’s dire skills shortage.

Labor retains strong reservations about the effectiveness of the Australian technical colleges program and its capacity to genuinely combat the severe shortage of skilled labour in the country. The legitimacy of such reservations is nowhere better reflected than in the current situation unfolding in my home state of Tasmania, where the establishment of technical colleges in the north, and particularly the north-west of the state, has done nothing at all to address the severe shortage of skilled labour in such regions. The ineffectiveness of the colleges in these areas to address the problem confirms what Labor has been suggesting for some time: the technical college program was a bandaid, short-term, tokenistic, political reaction to a long-term, practical problem faced by this country.

Indeed, the establishment of colleges in marginal federal electorates, such as in the north and the north-west of Tasmania, appears to be more of a political stunt to secure votes rather than a genuine, well thought-out attempt to address the severe shortage of skilled labour in such regions. What is the result? Regional cities, such as Burnie on the north-west coast of Tasmania, are left struggling to fill job vacancies in areas such as construction and manufacturing, which the technical colleges were established to address. Indeed, the situation in Burnie provides a perfect illustration of the complete ineffectiveness of the technical colleges to address the skills shortage in Tasmania.


The city, which during the early nineties experienced one of the highest rates of unemployment in the nation due to the closure of the APPM paper-making mill, is now experiencing a period of excitement, renewal and increased investment. However, the city’s capacity to find its feet and move forward has been stunted by the shortage of skilled labour in the region. A city council member, during an interview with the ABC last year, noted that local employers were having great difficulty filling positions and there was an immediate need for 300 to 400 skilled labourers in the city.

Such sentiments are supported by figures revealed in a survey of the region completed by the Department of Employment and Workplace Relations in September 2006. The survey found that 50 per cent of employers in the region had difficulty filling vacancies, with 13 per cent of vacancies at the time remaining unfilled. Recruitment difficulties were most prominent in construction and manufacturing industries, with the lack of necessary training and skills being the main reason why applicants were unsuitable and the positions remained unfilled.

What a debacle! Here is a city that is trying to move forward, with employers desperate for workers to fill positions, yet it still experiences a higher unemployment rate than the rest of the state because applicants lack the skills and training necessary to fill the positions. The technical college campus located in the city is unlikely to make any difference to the current situation in the short term, with fewer than 100 enrolments for the current year. The Australian technical colleges program has so far failed to combat the severe skills shortage in north-west Tasmania, a situation that is not likely to improve in the near future. The government’s decision to opt for this short-term, bandaid solution to the problem is not only failing to overcome the skills shortage; it is preventing regional—

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! It being 12.45 pm, I call on matters of public interest.

Homeownership

Senator BERNARDI (South Australia) (12.45 pm)—The media has painted a bleak picture for young Australian people seeking to buy their first home. Just a couple of days ago, the residential development council released a survey showing that only 17 per cent of property experts believe that young Australians would actually be able to afford to buy their own home. These young people will struggle to overcome surging land prices, where the average house price is nearly nine times the level of the annual median family income. There is no doubt that Australians do want to own their own home. It is part of the great Australian dream. The benefits of homeownership cannot be underestimated and they are not purely economic. It extends far beyond the simplistic acquisition of assets. Homeownership generates much wider benefits for our country’s social capital. Homeownership allows families to put down roots and become part of a community. It gives people a sense of control over their destiny and a feeling of security and stability. Owning a home gives people a tangible stake in the community in which they live.

In his famous ‘Forgotten people’ address in 1942, Sir Robert Menzies articulated the profound significance of the family home when he said:

The home is the foundation of sanity and sobriety; it is the indispensable condition of continuity; its health determines the health of society as a whole.
He later continued:
Your advanced socialist may rage against private property even while he acquires it; but one of the best instincts in us is that which induces us to have one little piece of earth with a house and a garden which is ours ...

Sir Robert’s insights into the importance of homeownership and his exposure of the double standards of the Bollinger bolsheviks on the other side of the chamber are still relevant today. For months, the extreme socialist left of the Labor Party have pranced about and whinnied about the high cost of housing, offering no solutions, only looking to apportion the blame. They sought to blame interest rates, they blamed our national prosperity and they have blamed anyone and anything to avoid confronting those really responsible. The Labor Party have pointed the finger of blame everywhere except where it should be pointed—at their own kind, because the real culprits in making housing unaffordable are their comrades in charge of the state Labor governments. Housing unaffordability is not simply a product of interest rates or national prosperity; it is caused by the blatant profiteering by the modern-day robber barons masquerading as the state Labor governments.

As the Productivity Commission in their 2004 report into first home ownership identified:
The debate around housing affordability needs to be refocused to where action is urgently needed—that is in the area of property taxation, in particular stamp duty, and land supply ...

Both of these are state government responsibilities. And it is not just the Productivity Commission; most major industry groups and stakeholders have been saying this for years. The evidence is everywhere—it is overwhelming—and the only people who have chosen not to see it are in the Labor Party.

The Labor opposition are complicit in a scandalous cover-up to protect the woeful economic credentials of their state comrades. Listening to their poor excuses for failure proves that denial is not just a river in Egypt. The opposition benches are in denial; the state governments are in denial; but the Australian people deserve to know the truth.

Despite the overwhelming evidence, the spendthrifts running the state coffers have continued to fail local communities and prospective homebuyers. The state governments are the ultimate hypocrites on this issue. Publicly they feign concern and voice their sympathies for those trying to enter the housing market, and yet at the same time they have their grubby hands out and their coffers open to accept massive sums of money in the form of stamp duty. They fleece the poor homebuyer to pay for their own inept, incompetent financial management skills. Nowhere is that more evident than in my own state of South Australia. Shamefully, in July 2002 the South Australian state government increased stamp duty for properties valued at more than $200,000 even while property prices were rising dramatically.

The high-taxing Rann government are propping up a very well padded public service at the expense of struggling homebuyers. On the average South Australian home, the state Labor government slugs the buyer around $10,500 in stamp duty, and a further $1,700 in land tax fees. Punch a few numbers into a computer for $1,700; it’s very nice work if you can get it! But it is absolutely no help to homebuyers who are in total $12,200 worse off than they should be.

It is even worse in other states, which are all run by more Labor comrades. State governments levy so much tax on property that it has been labelled ‘world’s worst practice’. According to the Warburton-Hendy international tax benchmarking study released last
year, Australia has the highest property tax burden of all major OECD countries. The report stated:

Of the OECD-10, Australia has the highest financial and capital transaction tax burden (includes taxes such as stamp duties on conveyances).

But what do we hear from the federal Labor Party about the real cause of the escalating cost of housing? Absolutely nothing. Instead, they seek to play the blame game. They blame interest rates, even though mortgage rates have averaged 7.15 per cent under this government, compared with an average 12.75 per cent under Labor administrations. The Labor Party even blame our high levels of prosperity, but even Paul Keating’s former economic adviser John Edwards has praised it, saying: ‘Over the past decade, real wealth in Australia has doubled. There hasn’t been a decade like it for the past 100 years.’

But the ALP seem to think that this prosperity is a bad thing. I can only conclude that they must want to go back to the bad old days of ‘hard Labor’, with 17 per cent interest rates, high unemployment and low wages growth. And with no coherent economic policy of their own, they are desperately trying to play the blame game. If they want to blame someone, federal Labor might need to talk to state Labor. But that will probably never happen. Typical Labor incompetence—one arm does not talk to the other arm, because there is no brain in between.

There is quite simply no doubt that stamp duty on property transactions drives up housing costs for all Australian families. But there is even more dirty laundry attached to Labor’s stamp duty slug that needs to be aired. In their 2004 report into first home ownership, the Productivity Commission identified this dirty laundry as the ‘lock-in effect’. The commission said that stamp duty inhibits the turnover of property—that it discourages people from moving as their immediate housing needs change. There is clear evidence of this in the types of homes that people are currently building—the ‘McMansions’, as they are referred to in the popular press. In the past 10 years, nearly half of all McMansions were built by childless couples. A young married couple without children simply do not need a five-bedroom, double-storey house with a rumpus room, two lounge rooms and three bathrooms. At the other end of the spectrum, older Australians often remain in large family homes long after their families have moved on. Perhaps these people would like to purchase more appropriate accommodation, but they are scared off by the cost of stamp duty—paying $10,000, $20,000, $30,000 or more in stamp duty tax is a huge disincentive. Therefore, they ‘lock in’.

There is also evidence that stamp duty impairs regional labour mobility. This hurts our regional areas that are already suffering through skills shortages and, of course, the drought. Mr John Freebairn, Director of the Melbourne Institute of Applied Economic and Social Research, states: ‘Conveyance duties operate as a disincentive to reallocation of ownership.’ You can understand just how much of a disincentive stamp duty can be: if a couple moves three or four times throughout their lives, based on today’s figures, they will pay close to $100,000 in stamp duty—almost a third of the cost of an average home. Most people actually move more than three or four times during their adult lives, so the real cost is actually higher.

The greedy state Labor governments are making existing housing unaffordable and new housing even more unaffordable because of their punitive property taxation policies. It does not end with stamp duty. The Labor greed continues. Current state government land release policy failures have led to a rapid escalation in the price of land and, therefore, housing costs. According to the
Australian Property Council, ensuring adequate supply of land for new housing is the main influence on market pricing. The Property Council explicitly stated: ‘The fact that the supply of land has not been allowed to meet underlying demand has eroded housing affordability.’

State governments have actually sought to limit the outward expansion of their capital cities. For the past 20 years, the consolidation movement has taken hold. It has stifled land supply and has consequently sent land prices skyrocketing. So we experience the most basic supply and demand law of economics at work: restrict the supply and watch the prices go through the roof. By restricting the supply of land, state governments have been able to increase the price of land and this has increased the amount of property tax that state governments collect.

In South Australia, the charter of the Land Management Corporation—a state government corporation responsible for managing and developing South Australia’s portfolio of land assets—has gone from providing ‘an adequate supply of land’ and maintaining ‘land affordability’ to ‘maximising returns to government’. Note that interesting policy shift on the part of the Labor state government. And now state governments are pocketing their greedy bounty at the expense of Australian homebuyers. Where land once represented only 25 per cent of the cost of a new house and land package, it now represents around 50 per cent. In real terms, the cost of building a home has remained relatively static. The affordability issue is inextricably linked to the rising cost of land.

Housing affordability begins at the entry level, and most entry-level housing is on the urban fringe. If you restrict supply at that point, up goes the price and down goes affordability. What has really occurred is that the state governments have held on to land and they only release it when the value is high, maximising their own returns but causing undue hardship for Australian homebuyers. This is shameless profiteering and greedy irresponsibility. To top it all off, it is adding to the issue of rising rents. As property owners are slugged with ever-increasing rates of land tax, they are forced to pass on those costs to their tenants.

Labor government policy failures are adding to the housing affordability crisis. Labor governments are failing local communities and homebuyers where they need to pay for their irresponsible spending sprees. Where Labor has wilted, the Howard government has stood tall. The Howard government understands the need for everyday Australians to own their own home and that the best way to do this is through a strong economy. The Howard government has done the hard yards on tax reform, running budget surpluses and formulating policy to keep interest rates low.

It is the Howard government that introduced the First Home Owners Scheme. It is the Howard government that worked diligently to see our economy grow consistently throughout our term. And it is the Howard government that paid off all of Labor’s $96 billion debt that was threatening to make Australia a fifth-rate banana republic. Federal Labor need to talk to their state Labor counterparts about their punitive taxation and land release policies if they are at all concerned about housing affordability in this country. The state Labor governments, awash with money from property taxes—and let us not forget the GST windfalls they are all receiving—are wasting a once-in-a-generation opportunity to use their strong financial positions to make a fairer property tax system and assist the homebuyers who need it most. Labor state governments are simply failing to deliver better outcomes for Australians looking to buy a home. Instead of trying to reduce the financial burden on homebuyers,
they simply sit back and watch the money roll in.

I will finish by quoting Chris Lamont of the Housing Industry Association, who just last week said about housing affordability:

The cause of the problem lies in an undersupply of ready-to-develop land, the multiple planning hoops developers must jump through in order to get a building completed, and the fact that State and Local Governments regard housing as a cash cow to be milked to underwrite their budgets.

The people of Australia deserve better. They simply cannot afford the waste associated with state Labor governments and they cannot afford the waste associated with a federal Labor government.

**HMAS Sirius**

Senator MARK BISHOP (Western Australia) (12.59 pm)—I rise in this matters of public interest discussion to make a few comments about a recent report of the Australian National Audit Office relating to the purchase, chartering and modification of a new fleet oiler. The report was released, as I recall, in late January or early February this year. This report examines the government’s Westralia replacement program. As we will all recall, the Westralia was a tanker supply vessel that suffered a fire in the engine room in 1998 in which four people were unfortunately killed. The overall audit report into the procurement of Westralia’s replacement, the HMAS Sirius, is positive, and that needs to be stated up-front. Defence, of course, was quite pleased to heavily publicise the generally favourable report of the National Audit Office under the headline ‘A Defence procurement project that has come in under budget and on time’.

Once one goes behind the press release from the Department of Defence, one finds that that is not the complete story, and hence the audit report is worthy of reading and analysis. The main concern the Audit Office had was the delayed time frame in finalising HMAS Sirius’s safety case report, which would have caught the Audit Office’s attention because it directly linked back to the unfortunate accident that occurred in the predecessor vessel. That would have meant that the purchase and modification of this ship, one presumes, would have had a lot of attention paid to safety aspects. As the ANAO commented in passing, at paragraph 4.22, this is ‘an important element of the ... safety baseline against which contract deliverables should be tested’. In terms of contract compliance, the ANAO, properly in my view, had regard to the safety case and the safety case report as key indicators.

The Defence Materiel Organisation required this report to be delivered by October of 2005; yet in January of 2006, when the auditor asked to access the report as part of its preparation for this document, it was told by the DMO that the report at that stage was still in draft form. Amazingly, at the release of the ANAO report earlier this month, a comprehensive safety case had still not been delivered. This prompted the following re-buke from the ANAO, which is at paragraph 4.27:

> It is clearly desirable, from a risk management perspective, that Safety Cases ... are finalised prior to the contractual acceptance ... by DMO so that system hazards have been adequately identified and the exposures managed ...

We need to remember that this vessel is the replacement for HMAS Westralia, which suffered a fatal fire in which four sailors were killed back in 1998. That tragedy has been described as Australia’s worst peacetime naval disaster since the 1964 Voyager incident. That fire was caused by the rupture of a flexible fuel return line, and I would have presumed that the lesson for the government from that tragedy was that ensuring the safety of Navy personnel in replacement vessels and in all other vessels is paramount,
and there is no reason to suggest or imply otherwise.

Yet there has been substantial delay in compiling the safety case report for Westralia’s replacement, the HMAS Sirius. Even by August 2006, for example, a number of safety tests and trials had not been completed. These included the sprinkler piping pressure test, the system operational test and the deck fire-fighting foam test. Those details are reported at table 4.3 in the ANAO report. More important than that, there was no first aid equipment evident and no escape signs, and test tallies for fuel, hydraulic and flexible hoses were missing. That is a whole 10 months after the DMO required such a report from the prime contractor.

At the conclusion of the ANAO report, it states that Defence advised that the whole ship safety case report would be finalised by this month. One makes the point in passing that, having given that assurance to the ANAO, one hopes that that assurance is complied with, because this vessel is expected to be granted full operational release by June of this year. With a bit of luck, we will get the final safety case report by some time in March or April of this year and final clearance for delivery to Navy in June of this year.

ANAO also raised a number of other concerns about the procurement and chartering of HMAS Sirius. These related to the leasing of the vessel and the need for a ship that was faster than the ageing Westralia, but Navy ended up buying a ship that was slower. Here are the facts. The need to replace the Westralia was first identified in the Defence white paper in the year 2000. Government decided to buy a commercial tanker, the Delos, and convert it for Navy service—there is nothing wrong with that. But, as mentioned, the reason for replacing the Westralia was that vessel’s slow cruising speed. It had a maximum speed of 16 knots and thus it was unable to integrate with any task group which needed vessels with a speed of at least 18 knots, as the ANAO has identified.

Amazingly, Westralia’s replacement, HMAS Sirius, is slower. The Delos’s maximum speed is going to be, we are informed by the ANAO, somewhere between 15 and 16 knots. The government’s defence for not meeting this requirement relates to a compromise on the issue of cost. One presumes that they had the full information and hence made that trade-off. But we simply note in passing that one of the reasons for acquiring a new vessel was to have a high-speed vessel that could be integrated with a task force, and the government has chosen, essentially, to trade off speed for cost.

The cost of the Delos, subsequently renamed the Sirius, was well within budget. The total cost of the project was $118.7 million, well within an anticipated total project cost of something in the order of $143 million.

Senator Johnston—That’s good.

Senator MARK BISHOP—Senator Johnston says, ‘That’s good.’ I am not criticising that; I am just drawing attention to some other shortcomings that have existed as part of the total project. The cost breakdown of that $118.7 million was $45.5 million for the Delos and an extra $76 million for modifications.

But we note that that efficiency and economy has been compromised by the way the government handled leasing arrangements for this vessel. The lease was certainly a good idea in theory. It was to be leased to a private company for $8.22 million for the year 2004-05. That is fine. But Defence failed to collect the rent from the lease until one full year after it had expired. When we are talking about an income for a year of about $8 million, you do not have to be Ein-
stein to work out the interest forgone, and the opportunity costs lost in not ensuring systems were adequate to receive the lease payments on a regular basis. Indeed, in that light, Defence was criticised by the auditor for administrative weaknesses, which included insufficient diligence in banking public funds, no authority for the withdrawal of those public funds and lack of adherence to GST legislation, and that can be found at paragraph 18 of the report.

The ANAO also noted that, while this procurement project has been largely well managed and has achieved a good result, it was not required at any time to pass the Kinnaird two-pass approval system—the reason this project fell behind the 2005-06 framework for its implementation. That does raise an interesting issue, because it is increasingly becoming the norm that a range of strategic decisions to purchase major advanced platforms and weapons systems involving multi-billions of dollars in payments over decades are being unilaterally determined by either the Prime Minister or the minister without cabinet knowledge or approval.

After the decision has been made to buy a particular platform, a particular set of ships or a particular weapons system, the cost-benefit analysis and the strategic rationale for that decision are fiddled to the relevant department or departments for analysis and later report. It strikes me as an odd way to do business when Defence has a white paper which is amended from time to time. There is a Defence capability plan that sets out our strategic needs until the end of the second decade of this century and there is a system established for regular cabinet briefing, review, understanding and decision making on a range of major strategic purposes.

Yet, increasingly of late, we wake up on a Friday or a Saturday morning and read in the papers that we are going to be spending $4 billion on Super Hornets—which has not been approved by Defence and has not gone to cabinet or the appropriate subcommittee, yet we are going to whack off this $4 billion without any strategic rationale apart from the fact that we think we might have some sort of air capability gap some time between 2010 and 2015. That is apparently sufficient to spend $4 billion on Super Hornets. They might be fine planes in themselves and they might be entirely justified and it might be an entirely proper decision in terms of a strategic rationale, but we do not know that because there has not been any planning, investigation, report, analysis or review by the national security subcommittee. All we have is a decision because of a fear of a gap—a funny way to do business, but increasingly it appears to be the norm, as I say, in major procurement projects.

But I depart from my text because of my interest in the material. I should return to this Audit Office report, relating to the purchase, chartering and modification of a new fleet oiler because it is the reason for my contribution to this discussion today. Having made other comments which were critical not of Defence but of the decision makers in this debate—that is, government and the appropriate ministerial level people in cabinet—it is fair to say that this is the second report I have discussed this week.

Again, it suggests that a lot of the problems that have been occurring on the procurement side within Defence and DMO are being attended to and some solutions that are clearly right are being found. As a general proposition, the fact that this purchase of the fleet oiler and its structural modification came in ahead of time, below budget and consistent with the contract specifications is a welcome development and it appears to suggest that things are improving within the relevant procurement agency. One does note
that the ANAO thought it worth while to identify a range of deficiencies. They are quite right to point out problems on the safety side. The last thing we want in a replacement vessel is to have the same problem in the new vessel simply because some people did not think it sufficiently important that clauses in the contract requiring adherence to particular safety regimes or particular safety practices were adhered to. With those comments, I surrender the floor.

Climate Change

Senator ALLISON (Victoria—Leader of the Australian Democrats) (1.13 pm)—I want to speak today on climate change and the great missed opportunity that it represents. The government’s push on nuclear power as the solution to climate change would be laughable if the situation were not so dire. I am not talking about the latest revelation that the Prime Minister’s promotion of nuclear power might have come as a result of a deal with the Liberal Party stalwart Ron Walker or the mining giant Mr Hugh Morgan, someone who is on record as being a climate change sceptic from way back; it is the nonsensical mantra from the Prime Minister that he will not reduce greenhouse gas emissions because ‘it will damage the economy’.

Just saying that, in fact, damages the economy. Apart from a handful of coal and big energy users, other industries and businesses, including this week the electricity generators, are screaming for certainty about how the government is going to lead this country into the inevitability of a severely carbon constrained environment. They know that business as usual is not an option; they know that serious structural and infrastructure change is going to be necessary and they want to know what this will look like, how to prepare for it and how the transition to it will occur. Investment in power generation is a very expensive business and it is long term. The global economy is already pricing greenhouse gases, and this means coal is being penalised and low-emission technologies are being rewarded.

It is pointless and unconvincing to suggest that Australia’s emissions are just a small proportion of global emissions. We are in fact the 10th highest emitter of greenhouse gases, just behind the United Kingdom, which of course has three times the population of this country. Claiming that China’s emissions will swamp our efforts not only is exaggerated but also ignores China’s great achievements. China has improved energy efficiency at four times the rate of Australia. We do not need squabbling about who has to make the first move. If everyone took Australia’s line, there would never be global agreement on anything, much less on the threat most likely to decimate our economy.

Australians are now ready to make a change and have a far better understanding of the climate change issues than our Prime Minister, who has denied the science of climate change for the past 10 years. The government’s claims that Australia is on target to achieve Kyoto targets are false. It is not. The government’s own figures show that Australia’s emissions are projected to be about 127 per cent above 1990 levels by 2020.

So where is the plan to stop this happening? Carbon capture and storage, by all accounts, will not be commercial in the next 13 years, and we certainly will not have 25 nuclear reactors up and running by then. So it is a totally irresponsible line to take, both economically and environmentally. The Stern report prepared for the UK government demonstrated that action is needed now, and that is one reason why nuclear power is another bad and much too expensive bet. Acting now, acting early, by providing early policy direction, will mean the cost of respond-
ing to climate change is in fact reduced. Stern showed that quite strongly.

Continued investment in high-greenhouse-emissions infrastructure, such as more coal-fired power, poorly performing houses, badly designed suburbs, transport and water infrastructure, ties this country into, in the case of our suburbs, hundreds of years of high greenhouse emissions. Averting dangerous climate change does not mean a commitment to spending hundreds of billions of dollars. It is not about signing on to a single technology such as nuclear power, either.

If costly nuclear power is the answer then it is clear that the wrong question was asked. The question is not: ‘We’ve got 20 years before we start to get reductions in emissions in Australia; Australia has lots of uranium but no wind, solar, geothermal, solar thermal or wave or tidal power available, so what do we do?’ That is obviously a false question.

Climate change is a human rights issue, an ecological issue and a moral issue. That is why leading the country in avoiding dangerous climate change is the responsibility of governments. Acting to avoid dangerous climate change is about doing things differently and early. Either we decide that it is the right thing to do and we align policies, regulation and attitude or we put the blinkers on and head down the ‘business as usual’ track.

With the scale of the climate change challenge, there is no room for complacency. Clear policy direction, regulation, leadership and follow-through by creating an investment climate for a low-emissions economy are absolutely essential. This week, Mr Turnbull quoted the International Energy Agency as saying that energy efficiency is the No. 1 weapon against greenhouse gases. Of course, he has backed himself into a corner on this one, because leadership at the federal level in the field of energy efficiency and building energy efficiency simply does not match the rhetoric.

Energy efficiency and building energy efficiency are not a priority for this government. The building energy efficiency program and the National Framework for Energy Efficiency have become a slow train crash, and action in business is left to voluntary action. The states are leading the agenda with various degrees of success and sophistication, but this results in a second-best outcome and a multiplicity of programs between jurisdictions. While Mr Howard itches to take over water, the states are designing their own emissions, renewable energy and energy efficiency trading schemes, no doubt frustrated by the lack of federal leadership. But these are effectively modern equivalents of different rail gauges and will be a nightmare for business.

There is a need for national consistency and national leadership. The government’s response so far has been to throw out red herrings and make ineffective the only policies and programs it has in place. I refer to red herrings such as saying that renewable energy cannot meet baseload energy. What is needed is a diversified energy portfolio and load management, not baseload. It is about providing energy at the point, time and size that is needed through distributed generation, and a move away from a complete reliance on large, central, baseload generation with transmission lines crossing the country.

A diversified portfolio and load management is about using solar water heaters instead of electric hot water systems that are powered by large power stations hundreds of kilometres away. It is about designing buildings well so that the heating and cooling load can be met through passive means and reduce the high demand for air conditioning. A five-star energy house is a low-energy using house and a more comfortable house. The
cost differential between a five-star house and a three-star house is minimal at the time of construction but the environmental impact of a three-star energy house is almost twice as much as a five-star house, and will remain so for 100 years. A five-star house will result in an energy bill reduced by $200 per year and associated growth in the economy and in jobs.

What is required is coordinated action at all levels of government. It requires coordinating building regulation, energy market reform and removal of disincentives for distributed generation and renewable energy and energy efficiency. This needs to be supported by clear targets and market mechanisms such as carbon emissions trading, renewable energy trading and energy efficiency trading—that is, the black, green and white certificate trading systems. That is the direction in which Australia needs to head.

Renewable energy—green certificate trading—is already underway with the mandatory renewable energy target. This government has wasted 10 years on what looked to be a promising mandate for renewable energy, but the promised two per cent target was so watered down that not only was it met within three years but renewable energy, which had a 10.5 per cent market share before MRET, now, in 2007, has decreased to a nine per cent market share. We are going backwards.

Renewable energy has enormous potential to meet our energy needs, with solar, bioenergy and geothermal opportunities barely explored. The renewable energy target could be doubled and industry could respond without even a groan. Trade in carbon emissions—black certificate trading—will drive the change that is necessary to seriously shift from coal power to gas and bioenergy in the first instance and then to bring in solar thermal, geothermal, wind, wave and other renewable technologies.

A national emissions trading system is needed for the most cost-effective, efficient and comprehensive abatement of greenhouse emissions. Energy efficiency—white certificate trading—is more challenging to deliver, but it has enormous scope. Government economic modelling shows that, for a mere one per cent energy efficiency target, 28 million tonnes of CO₂ equivalent could be saved with a three-year payback investment of an extra $586 million. That would also lift GDP by $1,582 million and cut wholesale electricity prices by 19 per cent.

European estimates of cost-effective energy efficiency opportunity and savings are that in the order of 27 per cent in households, 30 per cent in commercial buildings and 25 per cent in manufacturing are possible. Unfortunately, the potential for Australia has not been estimated, but it would be a similar potential. If the Prime Minister will not force big power users to make this investment then he should at least talk up the benefits. These mechanisms, properly designed, need not be anywhere near as expensive as the Prime Minister claims and would certainly not wreck the economy. A domestic emissions trading scheme would cost as little as 40c a week for each household—nowhere near as expensive and economy wrecking as the Prime Minister claims. Combined with white certificate trading the costs of supporting renewable energy can be offset.

But this does not mean that the government is off the hook and can say, ‘Just leave it to industry and the market to deal with.’ There needs to be strong regulation of minimum energy performance standards for infrastructure, appliances, buildings and equipment and a complete reversal on the energy market which penalises distributed and renewable energy generation and energy
efficiency, and results in inflexible options of ‘just build another power station’ outcomes.

The message is clear. Governments have to work together with the common objective of greenhouse pollution reduction with the least disruption to the economy. This means greater take-up of already available technology. Our industry needs support to transition to a carbon-constrained future and it needs unambiguous government policy leadership. Infrastructure takes five to 10 years to build, so the targets and planning must be long term. Greenhouse emission impacts need to be considered and embedded in every planning and investment decision. Action on climate change will not cost billions. There are many low-cost and no-cost actions that can be undertaken. But inaction will cost the earth.

This government is out of step, particularly on coal and nuclear. Doing things the old way is a commitment to ever-increasing greenhouse emissions and tying our economy to greenhouse-intense ways. A shift in thinking is required. No more rhetoric or silly demonising of wind turbines or coal mines—it is time to put in place carefully designed, robust systems for this inevitable move to a globally carbon-constrained future.

Australian Defence Force

Senator JOHNSTON (Western Australia) (1.26 pm)—Everybody knows one undeniable fact in this place—that is, there is no-one in the federal opposition that has any knowledge or understanding of defence. There is no-one in the federal opposition that has any knowledge or understanding of capability acquisition. The performance in this chamber by various opposition members, coming in here and disclosing copious ignorance of events and projects, is quite breathtaking.

I want to go back to the dark days when Labor were in power. They cut Australian Defence Force personnel numbers by 15,000 people. They sacked two battalions. The second to last budget of the Labor government in the nineties—1994-95—saw a spending cut of 9.4 per cent, down to eight per cent of total outlays. The last legacy of a Labor government to the defence of Australia was to cut the budget.

The Defence Efficiency Review of 1997 again identified the legacy of Labor in handling defence—$1 billion of waste. Indeed, combat capability, the most important contribution of defence, was cut and run down. Deficiencies were identified by the Army’s own self-assessment: ‘Units not adequately prepared for combat; Army lacks sufficient combat power; units are understaffed, poorly equipped and have a low readiness level.’ That is the Labor contribution to defence. There is nobody across the chamber that has any real knowledge or understanding. There were no bullets. There was a shortage of fuel.

The projects were sensational. The Joint Committee of Public Accounts and Audit in 1986 said about defence project management: ‘Poor assessment of financial technical risk. Cost and time underestimates. Inadequate project planning. Insufficient attention to management information and control arrangements.’ Who can forget the famous projects like the inshore minehunter—$100 million down the gurgler? Who can forget the catastrophe of the initial management of the Collins class submarine or the breathtaking negligence in the handling of the US landing ships that were full of rust when they got here, where $340 million had to be spent? Who can fail to remember the billions of dollars spent on JORN by the Labor Party in the eighties and nineties fixing up their own mistakes?
I want to talk about the record of the Howard government on defence. It is a very proud one. It is in stark contrast to what Labor delivered to the defence of Australia when they were in power. The first thing we did was to make a commitment to increase defence funding by an average of three per cent per annum over a decade. We then set a long-term funding commitment to a defence capability plan to give industry the certainty it needed to build sustainable defence industry capabilities, and we did that. As part of the capability review, the government decided to replace Australia’s Leopard tanks, and we have done that with M1A1 Abrams tanks; to deliver combat identification and more capable communications and night vision equipment; and to introduce SM2 missiles—and so the list goes on. We established the DMO, and the DMO is working magnificently. I also want to talk about the establishment of the Kinnaird review and the Defence white paper. And I could go on for much longer than time permits. We have done so much in defence to secure Australia’s defence future.

In this place, allegations were made last night about the FFG upgrade program, our Oliver Hazard Perry class and Adelaide class frigates. Cabinet approved the C1390 phase 2 upgrade in December 1997 at a cost of $1.266 billion. Current approval is for $1.4 billion, with the increase comprising inflation, exchange and real cost decrease, mainly due to the transfer of funds for missile procurement to the evolved Sea Sparrow. The FFG upgrade project now seeks to regain a comparative regional capability—that is, to regain a comparative regional advantage in terms of the capability of our four Adelaide class guided missile frigates to ensure that they remain effective and supportable through their 2013 to 2021 life. This project is on track, notwithstanding what a particular senator said here last night, and is meeting the expected milestones. The provisional acceptance of lead ship HMAS Sydney was achieved on 15 December last year.

These things happen, but the opposition are oblivious to them. They are not keeping tabs on what is actually happening in defence. Again, no-one really understands or cares and that is the frightening thing. HMAS Melbourne completed the docking component of the upgrade and will commence formal contractor sea trials early in March of this year. HMAS Darwin commenced the docking phase on 3 January this year and is expected to complete the docking element in early June 2007. HMAS Newcastle is scheduled to enter the upgrade and docking element in October of this year. Sea trials on HMAS Sydney have demonstrated improved performance overall in the upgraded FFG.

Just as we heard from Senator Bishop, senators come in here wanting to cast aspersions on defence projects. Let me talk about the Delos. The Delos was delivered to the Royal Australian Navy under budget and ahead of schedule. Indeed Tenix, the very proud and successful contractor that delivered that project, received a bonus. I want to congratulate Mr Kim Gillies, and the CEO, Dr Gumley, and, of course, Tenix on a fantastic job. They are the facts. That is the truth of the matter.

Further to that, let us talk about Seasprites. That was a Labor project. In 1995 the Labor Party called for tenders for Seasprites. It is their problem and we have been trying to fix it up for a very long time—just as we have been doing with all of the other projects that I have mentioned, and I have only mentioned the tip of a very ugly iceberg of Labor Party fiascos.

I want to talk about how good the project management at the DMO is. There is a trophy called the Essington Lewis trophy. It is
awarded by the *Australian Defence Magazine*, which is a privately owned magazine, I am led to believe. The judging criteria are about overall project management and approach, innovation in problem solving and strength of the relationship between the DMO and the contractor teams. The project team with respect to AIR 5416, the Echidna project phase 2, was awarded the Essington Lewis trophy this year.

Essington Lewis was a very great Australian. He was an industrialist and a Second World War director of munitions, born in Burra in South Australia in 1881. He became a mining engineer and joined BHP in 1904. In 1921 he was appointed general manager and, later, managing director of BHP. He led BHP to establish its own steelworks. Also, believing that war with Japan was inevitable, during the thirties he played a leading role in building up Australia’s defence industry, including aircraft, warships, weapons and munitions production. He was a very great Australian. Geoffrey Blainey said of him that he made BHP one of the most efficient steel companies in the world and that his influence was felt in every industry and occupation. He said that his work in munitions was a prerequisite for many of the complex manufacturing ventures developed in Australia in the forties and fifties. He went on to say that there could be little doubt that, but for his premonition of war in the thirties and his rare talents and dedication as an organiser during the war, Australia would have played a lesser part in fighting the Japanese in the Pacific. As I said, he was a great Australian.

Project AIR 5416 was created in 1998. The Defence Materiel Organisation developed the project for the development, integration and installation of an electronic warfare self-protection suite into selected Australian Defence Force aircraft to improve the survivability of these aircraft in combat. In addition, the project delivered a comprehensive electronic warfare mission support system and provided modifications to the application simulators and other support systems necessary to fulfil operational and training requirements.

The current phase 2 of the project was to fit the electronic warfare self-protection suite to the Black Hawk helicopters, to the Chinook CH-47D helicopters and to the C-130H Hercules aircraft. The acquisition contract was signed with Tenix Defence Aerospace, and I want to congratulate Tenix as the commercial partner with the DMO on this very successful project, a project that was awarded the Essington Lewis trophy.

I want to congratulate Dr Gumley and I want to congratulate Mr Peter Edwards, the team leader, on a fantastic job in what is a very technical, very complex project of integration. I am delighted to say that this complicated project was run with strict attention to detail, and the project engineering discipline by all involved, most notably Tenix and the project team for Echidna phase 2B, was exceptional and outstanding.

This is the real story. We are winning prizes for performance in project management in defence. We are innovating. In the DMO we are doing things that the whole world wants to copy. Yet we have people on the other side of this chamber who have no real understanding. You can imagine what it must be like in Labor’s party room when someone says, ‘Who wants to do defence?’ Everybody looks away. They are thinking, ‘I’d rather do social security,’ or, ‘Can’t I do health or education?’ Who wants to do defence? Nobody wants to do defence. They are drafted into doing defence because nobody understands it, it is too complex and they do not care about it. That is the situation. It is a disgrace that people come in here dripping in ignorance and talking about projects on such an important subject which
they do not understand. It fills me with absolute trepidation that these people are going to suggest to the Australian public that they should be put in charge of the defence of Australia. What a frightening prospect, particularly considering their record.

One needs to go no further than Senate estimates. During Senate estimates the Department of Defence—all of the service chiefs and all of the agency chiefs—turn out and over a thousand questions are asked. Yet when senators opposite come into the chamber they have never asked the chiefs about the matters that they want to broadly describe and complain about in here, because they know there are answers. They come in here seeking to make some political points because they think that is the way they can aspire to government—just tell the public what you think they want to hear. In those thousand questions in estimates they never get to the point of asking about projects that are not performing well, and the reason is that they do not understand the answers. They do not understand the lingo. They cannot get the acronyms. Not one of them has any real idea about the defence of Australia and about technical capability acquisition.

I will finish by saying that the proof of what I have said lies in one incontrovertible fact: this opposition have not brought forward a single piece of good policy in the area of defence. However, I do stand corrected on one point. Their one contribution, in ‘coastguard mark 3’, has been the mounting of an armed sniper on the side of a helicopter to shoot at insurgents and boat people. That was what coastguard mark 3 brought to the party. That is the Labor Party’s solitary contribution to the defence of Australia. There is not one other policy initiative that discloses any ability, knowledge or understanding of defence.

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**Obesity**

**Senator Lundy** (Australian Capital Territory) (1.40 pm)—Australians have a traditional self-image. Wherever we have come from, it is an image of a nation of sports loving, fit and friendly characters reminiscent of Max Dupain’s bronzed Aussies: sun drenched and full of vitality. But something is wrong. If we take a peek into the mirror of truth, we see little resemblance to this familiar icon of Australian identity. The fact is that we are the second most obese nation on earth. Even worse, our children are no longer typically the wiry-framed kids reminiscent of Ginger Meggs—jumping out of their skin, kicking a footy or tossing a netball around—that we imagine. Far from it. This generation of children are the most at risk of chronic disease—so much so that if the current trend continues this generation of kids may well be the first to have a lower average life expectancy than that of their parents. This is an enormous public health and lifestyle challenge. It is also a national disgrace. Our adult population is ageing rapidly, with the growing accompaniment of chronic illness ushered in by record levels of obesity. Mental illness is on the rise.

So what has gone wrong with our health system? What is so out of balance that these appalling outcomes are now at our doorstep? How is it possible that health has been so mismanaged that the current system is fiscally unsustainable in the long term? It is not as if a bus hit us from behind. This problem has been around for a long time and scientific evidence is there for all to see. The evidence concludes that the more people undertake physical activity and the better their nutrition, the less likely they are to be obese and the more likely they are to be free of chronic illness. The research also shows that physical activity in itself can prevent many illnesses.
The Productivity Commission report released just this morning on the national reform agenda suggested that the enhancement of workforce participation and productivity through health promotion and disease prevention could potentially result in increases in gross domestic product of around six per cent after 25 or more years. However, the Howard government have wilfully refused to do anything at all. I say ‘wilful’ because there are plenty of governments around the world who are quite willing and have been perfectly able to make the necessary investments in health promotion. You cannot improve the health of a nation by waiting until people fall sick and then reacting. Yet this is all the health system is capable of under the Howard government and their health services blame game.

They have operated only half a health system—the system where you have to get sick first—and operated it poorly and inequitably at that. Where are the illness prevention policies? Where are the federal health promotion strategies? Where are the leadership and coordination? Not only are these things absent under the Howard government’s regime, but the Howard government have been busy making sure they were dumped. For example, this government phased out the Active Australia model within the Australian Sports Commission a number of years ago and have neglected their role in sport and recreation participation.

Herein lies the heart of the problem. The Howard government have disgracefully and neglectfully abandoned public policy that aims to keep the nation healthy in the first place. A mere 1.7 per cent of total recurrent health expenditure in 2004-05 was directed to public health activities such as health promotion. This proportion has remained stagnant despite the mass of evidence of the social and economic value of prevention.

So it is not because we do not fit our self-image anymore that we ought to be worried. That fact just alerts us to the frightening underlying truth: the rising incidence of chronic disease and cancer. We ought to be worried because we have a government in power that has sat back and watched these trends get worse. Labor believes that these trends could have been at least stemmed with a balanced approach of illness prevention and illness treatment, had the Howard government got onto it 10 years ago.

The Howard government has continually ignored calls from Labor and health advocates for a national nutrition survey to actually find out about the nature of the problem, and this government has done next to nothing to promote physical activity among adults. The neo-conservative philosophy that Mr Howard brings to his prime ministership means that he absolves his government of any social policy responsibility to promote physical activity and good health in communities in the name of individual responsibility. Many a time, we have heard Minister Abbott talk about it being the parents’ fault.

Children got a late look in with this government with some lip-service and a highly bureaucratised program called Active After-school Communities. This was rushed in after Labor and health advocates applied political pressure, and Labor released its first policy aimed at tackling childhood obesity back in 2003. Even now this program is not meeting the pent-up demand, and thousands of children are still missing out—proving there is a problem and parents are trying to find solutions.

So what can be done? This is federal Labor’s challenge. A Rudd Labor government will focus on illness prevention and health promotion. And that is where you will see a difference between a Labor government and the current government. Health promotion
will form a real part of Labor’s comprehensive approach to public health policy. There is ample economic evidence that makes such a change in focus a necessity if our health system is to remain accessible and affordable for all in the future.

When it comes to health, under Howard’s approach no matter how much we spend it seems we will always need to spend more. The Allen Consulting Group’s 2004 report Governments working together has estimated that the cost of chronic diseases such as cardiovascular disease, diabetes and other illnesses and injuries account for almost $34 billion and nearly 70 per cent of allocated health expenditure. The cost of the health budget in New South Wales alone in 20 years will be the cost of the total budget in New South Wales today.

There is a neat analogy: what do you do if the bath has flooded? Do you mop the floor frantically, do you reach in and pull the plug out, or do you turn the tap off? Treating illness ranges between frantic mopping and pulling out the plug, but the flow always remains. Health promotion is about turning the tap off.

Labor understands that the more physically active people are and the better their nutrition, the more likely they will be free from illness, depression, pain and suffering. That makes getting people active and eating well a high priority for federal Labor. Shortly after being elected to the leadership position, Kevin Rudd and his deputy, Julia Gillard, took a small but essential step in the reformulation of their shadow ministry portfolios. I am referring to the addition of health promotion to the sport and recreation portfolio. This shift in approach has helped Labor sharpen its focus on not just how out of whack the health system in Australia has become under the Howard government and the damage done, but what needs to be done to restore the balance and plan for the future.

Labor’s shadow minister for health, Nicola Roxon, has already outlined Labor’s commitment to preventative health. I will be working alongside her to give the focus needed on health promotion and the way forward. Promoting health is more than preventing illness; it is about improving the quality of life for all Australians. Health promotion means enabling people to improve their health and giving them more control over their health. This requires strengthening the understanding and skills of people as well as changing social, economic and physical environments so they improve health and support the maintenance of health.

The philosophy of health promotion includes making health attainable to all, not a luxury for the wealthy. The social determinants of health have been ignored at the expense of our Indigenous population, of our disadvantaged communities and many people who do not necessarily consider themselves disadvantaged but who, by their postcode, miss out on many social and physical infrastructure pre-requisites to better health.

From a public policy perspective, health promotion requires long-term investment in programs, facilities and community physical environments. It involves challenges like changing attitudes and habits. It requires investment in physical environments. It will require a sophisticated degree of coordination across portfolios and across the three tiers of government. Labor knows that each level of government has its role to play; it is really only the Commonwealth government under the neglectful stewardship of Mr Howard and Mr Abbott in the health portfolio who have not fulfilled their responsibilities.

Some state governments have shown extraordinary leadership in health promotion,
with VicHealth in particular recognised around the world. Local government also play a crucial role in delivering programs to communities. They invest far more in sport and recreational infrastructure than other tiers of government combined. Federal leadership and coordination could add so much more to these existing state and local government efforts to promote health in Australian communities. I am in a good position to garner the insight for service delivery as close to the community as possible, having the local government portfolio. Local government have a critical role to play that the Howard government has so far ignored. In fact local government’s ability to maintain existing infrastructure has weakened their sustainability in the last 10 years as other costs have been shifted to them.

A comprehensive and cooperative approach to health promotion also requires due attention to be paid to other policies to ensure they do not undermine people’s ability to improve and maintain their health. One suggestion is to promote health audits, or health impact statements on changes to the law. I can foresee the usefulness of this when contemplating laws affecting work conditions, food labelling and advertising. They are examples of a good start. I know that the Howard government’s so-called Work Choices legislation would have failed this test. How on earth can people be expected to find time to play sport and keep physically active when they are working longer hours than ever before and have less control over their hours of work? And where does this leave parents? The new reality for parents already struggling to find a balance between work and family is that it is getting harder and harder. The time to cook a nutritious family meal is lost when regular overtime is needed to pay big mortgages. Conversely, the time to volunteer as a coach is lost when you are no longer able to say no to overtime demanded by the boss.

My colleague Ms Nicola Roxon has already suggested we could well do with a national advisory body to advise on prevention policy—a preventative health task force that has an evidence based approach to prevention. Ms Roxon foreshadowed this and said:

We need to tackle the blame game in health to improve services for the community, to make our health dollar go further and to find ways to make prevention a higher priority.

... … … …

... we want the health system to be about keeping people well, not just treating them when they are sick.

Labor will use evidence based policy to guide our initiatives, and we will make the most of the research effort that never sees policy action under the Howard government. We are particularly mindful of the social determinants of health and we will pay due attention to ensuring equitable access to health services, whatever their nature. This is the sustainable way forward for the health of Australians. It is an agenda that looks to the future, not to the past, and it is an approach that addresses the blame game and understands that all tiers of government have a role to play. Unless we tackle the critical issue of the rising incidence of chronic illness and obesity, and look to ways to get the Australian nation more physically active, we certainly are headed for a disaster in both social and economic terms.

Indigenous Communities

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.53 pm)—I was on Palm Island on Australia Day—which the Indigenous people refer to as Invasion Day. The highlight of the day was a performance by approximately 50 kids who, having been intensively tutored over the previous week by a marvellous woman…
from Sydney, presented themselves in front of the hundreds of people on the oval and performed the kangaroo dance. These kids put on an amazing display. The crowd burst into applause, and one little tot in front, who was emulating what the older ones were doing, stole the show. It was a moment of great pride, great happiness and a thrill for everybody on this very troubled island.

I have a tremendous affinity with police officers and have felt a great deal of anguish about the events on Palm Island and the pain and frustration that many police officers—not just in Queensland but elsewhere—must have felt at the time and since about the publicity over those events. On the other side, I saw members of the family of Mulrunji, the man who died in the police lockup two years ago, and heard the harrowing story of events that have unfurled since then: the loss of his own son to suicide; the suicide of another young Indigenous man who happened to be in the cells and witnessed events on that night; the death of the man’s mother, said to be from a broken heart; and the incarceration of another Indigenous mother who took part in the protests afterwards. I think that she may still be languishing in jail as a result of rapid justice catching up with her and putting her into jail, separating her from her four children—for, I am told, throwing rocks at the police station.

We have not given the honour, the pride and the happiness to the first Australians that we as a nation owe them. It is possible. It was there in the dance on that day; but hanging over it was the awesome progress of events in the history of Palm Island, which are a cameo of the wider history of events in this country. Until we recognise the first Australians in our Constitution, we are all simply the worse for the failed relationship with them, for the denial of what we owe them, what they give to us, and, indeed, for the pride we get from this marvellous ancient culture which is essential to our feeling of ourselves as Australians and the identification of our nation as different from the rest of the world. One only has to travel overseas to feel that.

I am again committing the Greens during our time in this place to working hard to address the wrongs and the obvious gaps that need fixing. One has only to look at the statistics of Indigenous mortality—I was looking at one survey a moment ago which shows that half of Indigenous deaths are due to alcohol related diseases or suicide—to see an appalling state of affairs in this country. That the first Australians die an average of 20 years younger than the rest of us is an indictment of the fact that we have taken rather than given and our failure to understand, to be compassionate, to be fair-minded and to be just as a society. This has not been addressed during this period of government. It has not been adequately addressed in any period of government in this country, and we have to work much harder to bring it out of the back of minds, to bring it out of the forgotten status it is in, and to put it back onto the frontburner of affairs of this great nation of ours.

It is one thing to extol the virtues of this country but it is another to ignore the blights. The Howard government’s and our Prime Minister’s reference to ‘black armband history’, dismissing both history and our obligation for reparation, is an indictment in the last 10 years of this country. I say again: the Greens are committed to pursuing the injustice and, in particular, to ensuring justice for the first Australians of this nation and recognising the debt we all owe to Indigenous people and our failure to pay that debt.
of government precedent over the last 10
years. I recognise that Senator Heffernan has
been outspoken on this issue, but it takes a
collective role in government, and it takes
tremendous goodwill and determination on
behalf of the leadership in government,
which has been absent from Australian af-
fairs and which needs to be fixed if we are to
do justice to first Australians as we should.

QUESTIONS WITHOUT NOTICE

Nuclear Energy

Senator CARR (2.00 pm)—My question
without notice is to Senator Minchin, the
Minister representing the Prime Minister.
Can the minister confirm that the industry
department is rushing to complete a paper to
go to the government by 31 March this year
setting out options for moving to nuclear
power? Won’t this paper inform the govern-
ment’s response to the Switkowski review?
Didn’t the Switkowski review state that nu-
clear power plants could be sited near current
coal-fired plants to use existing transmission
networks, close to population centres to
minimise the transmission of power and
along the coast to access cooling water? Will
the government’s response name a full list of
possible sites that meet the Switkowski re-
view’s criteria for the location of nuclear
reactors?

Senator MINCHIN—I said yesterday
that the government had received the report
of the Switkowski committee. I notice Sena-
tor Carr had a bit of trouble with that name
and I forgive him for that, but it is the Swit-
kowski report. I indicated yesterday that we
would be responding to that report in due
course. I am not aware of any suggestion that
any response is being rushed. We have not
set any date for a response to that report. We
will consider it properly and sensibly be-
cause it is a very important contribution to
the contemplation of Australia’s energy fu-
ture. Australia’s demand for energy is going
to increase substantially over the decades
ahead. At the same time there is obvious
community concern, inflamed, may I say, by
the Labor Party, with respect to climate
change and the consequences of climate
change, the role that greenhouse gas emis-
sions play in climate change and the obvious
interest by all parties in seeking to ensure
that in planning for our energy future we
look sensibly and soberly at power sources
that do not generate or generate minimal
greenhouse gas emissions. We are therefore
properly and sensibly contemplating the pos-
sibility of nuclear power playing a role in
Australia’s energy future. That is why we set
up the Switkowski report.

What we have from the Labor Party of
course is that on the one hand they are run-
ning around with a scare campaign on global
warming and attacking the government for
allegedly doing nothing, and on the other
hand they are running around trying to gen-
erate a scare campaign about nuclear power,
totally contradicting that position. And at the
same time we have their leader and deputy
leader, coming from the right and the left of
the party, and including Senator Evans—and
I commend him on it—from the left, saying
that we should expand uranium mining and
export in this country. Their positions are
utterly contradictory, all over the place, a
dog’s breakfast, and do not add up to any-
thing except populism and opportunism in
order to create scare campaigns to suit their
political purposes. We think the electorate
will see through this.

There is no decision to have nuclear
power stations in Australia. They are cur-
rently not allowed under state and federal
law. We are well, well short—years short—
of any suggestion about where possible nu-
clear power stations may go. What we are
pleading for is a sensible, sober debate, free
of the hysteria that we get from the Labor
Party, about Australia’s energy future and
how zero or minimal emission sources of greenhouse gas emissions may play a part in that energy future. We would ask the Labor Party to participate in that debate, to consider the Switkowski report, to wait till the government responds to that report and to engage in a constructive debate with us about the role that nuclear power may play in Australia’s energy future.

Senator CARR—Mr President, I ask a supplementary question. Is the minister aware that a number of his coalition colleagues have ruled out having nuclear power plants in St George; Port Douglas; McMillan—where it was said, ‘Over the dead body of the MP’; Gilmore; Menzies, where there is no room; and Flinders, because it is on a fault line? When will coalition MPs be told whether their electorate will be getting a nuclear power plant?

Senator MINCHIN—I can only repeat what I said. They are not allowed under law. There is no proposal before the government for a nuclear power station. We are well short, probably decades short, of any contemplation of a particular site for a particular power station. We only have one nuclear reactor in Australia; it has been operating at Lucas Heights safely for decades. But there is no proposition before the government or contemplation of particular nuclear power stations or sites. What we want is a sober, sensible debate about the role that nuclear power may play in Australia’s energy future if we are to meet the huge demands for extra energy that will accumulate over the years ahead and how we do that without adding to our greenhouse gas emissions. We invite the Labor Party to play a sober, sensible part in that debate.

Telstra

Senator CHAPMAN (2.05 pm)—I direct my question to the Minister for Finance and Administration and Leader of the Government in the Senate. Will the minister update the Senate on the final stages of the sale of Telstra? Further, will the minister inform the Senate of the importance of the Telstra sale to the government’s Future Fund and its role in easing future budget pressures? Has the minister considered any alternative policies?

Senator MINCHIN—I thank Senator Chapman for his question and congratulate him on his recent preselection in the No. 3 position on the South Australian Liberal ticket. Today the government has transferred its remaining 17 per cent shareholding in Telstra to our Future Fund. This is the final step in the full privatisation of this great Australian company—a privatisation, may I say, opportunistically opposed by the Labor Party despite its own privatisation of Qantas and the Commonwealth Bank. As all senators know, in November last year we sold 4½ billion shares in the T3 public offering, raising $15½ billion. That tremendous result came about because of the very strong retail and institutional demand for a stake in Telstra’s future, and I think we now have another 100,000 Telstra shareholders. We received the first instalment of proceeds late last year and deposited them in the Future Fund in January.

The transfer today of the shares to the Future Fund represents the culmination of a 10-year process of privatisation, opposed all the way by the Labor Party, which commenced with the T1 offering of a third of the company in 1997 and then T2 in 1999, which saw the government’s stake fall to just over 50 per cent. There are two key aspects of today’s transfer to which I would like to draw the attention of the Senate. Firstly, the government can now focus solely on its role as the regulator of Telstra without the inherent conflict caused by our ownership of the company. Secondly, today’s transfer takes the balance of the Future Fund to nearly $50 billion. Just as the earlier sale of Telstra
shares helped us repay Labor’s $96 billion debt, the T3 proceeds in this share transfer have helped build up the Future Fund and put it on course to achieving its task of meeting our unfunded liabilities by 2020. Today’s transfer really is about confidence in our future. Telstra is free to pursue an innovative commercial future with the rollout of its 3G network offering new products for consumers and investors alike. Australian taxpayers can have confidence that with the debt eliminated and nearly $50 billion in the Future Fund we have great flexibility to deal with the future challenges to be faced by this country.

I was asked about alternative policies. I think it is worth focusing on Labor’s position on these issues. Labor have previously criticised us for not making the Future Fund more independent of government. But now they propose to interfere in the fund’s operation in a number of ways. They want to raid the fund’s annual earnings to spend on their own pet projects. They want to prevent the fund from ever selling down the current 17 per cent stake in Telstra. Their finance spokesman, Mr Tanner, made it clear on Meet the Press late last year that a Labor government would use this Future Fund stake to try and interfere in Telstra’s operations. In relation to Telstra’s shares in the Future Fund, he said:

Our intention is to keep them in the Future Fund ... and to maintain Telstra in part public ownership, not to sell any further shares, and we would seek to use that to influence Telstra’s approach ...

They are clearly, nakedly, going to use this stake in Telstra to interfere politically in the operation of Telstra. The Labor Party are clearly unfit to govern this country and clearly unfit to manage Australia’s trillion dollar economy.

Nuclear Energy

Senator MARSHALL (2.09 pm)—My question is to the Minister representing the Minister for Education, Science and Training, Senator Brandis. Is the minister aware of a speech on 11 July 2006 by the director of Australian Nuclear Energy Pty Ltd, Mr Hugh Morgan, in which he said:

... to put together an internationally managed [nuclear] repository would bring great standing in the international community for Australia?

Does the government agree with Mr Morgan that locating a global, high-level nuclear waste dump in Australia would be good for our international reputation?

Senator BRANDIS—I have seen the press reports of Mr Morgan’s speech of July last year. In relation to the question of nuclear power, and at a time when everyone in Australia is concerned about the issue of our energy future, there is one side of politics prepared to consider all of the options in relation to energy, including coal technology, carbon technology, clean coal technology, renewable energy and nuclear energy, and there is the other side of politics which proudly pretends to be concerned about the issue but in the same breath—

Senator Carr—Mr President, I raise a point of order going to relevance. The question the minister was directly asked was about the government’s attitude to a high-level nuclear waste dump. The minister has failed to address that question.

The PRESIDENT—On the point of order: the minister has spoken for less than a minute. He has four minutes to answer the question. When senators ask questions they do include a preamble, and sometimes ministers do the same when answering questions. I believe the minister has three minutes to answer his question and I ask him to return to the question.
Senator BRANDIS—As I was in the course of saying, there is the other side of politics, the Labor side of politics, which goes around the community raising concerns about energy, raising concerns about greenhouse gas emissions, raising concerns about global warming and yet, in the next breath, refusing even to contemplate one of the most important options available to Australia in relation to its energy future—that is, the option of nuclear energy. The Howard government has made it plain that all options are on the table. How can we possibly hope to have a sensible debate about energy in this country without considering the possibility of nuclear energy, which involves considering all stages of the nuclear fuel cycle—to come directly to the issue raised by Senator Marshall in referring to Mr Morgan’s speech. You know, Mr President, and we on this side of chamber know the history of irrationality and zealotry which has characterised the Australian Labor Party’s attitude to nuclear power—

Senator Mason—To everything.

Senator BRANDIS—I would not be so uncharitable as you are, Senator Mason, to our poor, benighted socialist friends on the other side of the chamber. The irrationality and quasi-religious zealotry which has characterised the Australian Labor Party’s attitude to nuclear power now has a long history. The three-mines policy, rebadged—but not renumbered—the ‘no new mines policy’ remains the policy of the Australian Labor Party, though we understand that under the leadership of Senator Faulkner, who has been defending the policy for the last 20 years, perhaps at the Labor Party national conference in April it may be abandoned. We have seen the humiliating spectacle—

Senator Carr—Mr President, I raise a point of order similar to my last. The minister has now been on his feet for the better part of four minutes and has failed to address the question.

The PRESIDENT—There is no point of order.

Senator BRANDIS—I am addressing the nuclear fuel cycle, Mr President. We have had the humiliating spectacle of the shadow minister for the environment turning his back on a lifetime of commitment—to a point of view which I do not share—on this issue, in a pusillanimous attempt to try and score some electoral advantage for the Labor Party, to take them away from the irrationality and the quasi-religious zealotry of their attitude to nuclear fuel. The one thing I can assure Senator Marshall is that when the Howard government addresses the question of—

(Time expired)

Senator MARSHALL (2.16 pm)—Mr President, I ask a supplementary question. Given that the minister has confirmed that all of the options are on the table, can he confirm that locating a global high-level nuclear waste dump is one of those options? What criteria would the government apply to proposals to build a global nuclear waste dump in Australia? And what work has been undertaken on plans to build a global nuclear waste dump in Australia? Does the minister consider any sites in his home state of Queensland to be suitable places to build a global high-level nuclear waste dump?

Senator BRANDIS—When the Howard government considers Australia’s energy future, it will consider every option. It will not sign off on every option, it will not commit to every option, but it will consider every option. The Australian people deserve a government which, when faced with an important public policy challenge which will influence generations into the future, considers every option so that one option—embraced by European nations, among others, and which every serious scientist regards
as a viable option—will not be eliminated at a prescientific stage because of a blind, dogmatic zealotry that closes its mind to the possibility of a nuclear option. That is what the Australian people would get from the Australian Labor Party and the zealots who run it. (Time expired)

Information and Communications Technology

Senator McGauran (2.18 pm)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. Will the minister inform the Senate of the importance of information and communications technology skills to the Australian economy, and the growth in these skills and the support they receive from the Australian government? Is the minister aware of any alternative policies?

Senator Coonan—I thank Senator McGauran for a question which obviously goes to the essential role that ICT skills play in underpinning Australia’s economic prosperity and productivity gains. This government has an ongoing commitment to the ICT industry. We have taken positive steps to help it recover from the dotcom crash and, as a consequence, the demand for ICT skills has strengthened significantly in recent years.

Today there are over 23,000 ICT businesses in Australia, directly employing more than a quarter of a million people. In 2004-05, the ICT industry generated revenue of more than $54 billion, contributing nearly five per cent to Australia’s gross domestic product.

The best thing a government can do for any dynamic industry sector is to foster and maintain a strong economy and a flexible competitive environment in which to do business. And this is one area where the government has clearly differentiated itself from the opposition. This government’s responsible economic management has provided a firm base for the Australian ICT sector. Today more than 205,000 ICT professionals are employed in Australia, compared with only 113,000 in 1995 when Labor was last in office. In 2005 I established an ICT advisory group which has taken a lead role in determining Australia’s key ICT priorities. At the top of the list, not surprisingly, are education and skills. Since 2003, the government has created more than 5,400 new HECS places in ICT, maths and science, building the essential skills this sector needs to continue to prosper.

And, of course, industry leadership is critical to building the ICT skills base in the longer run. It is for this reason that I welcome the announcement made by Telstra yesterday to fund 15 Telstra media communications and technology scholarships at the newly established Australian branch of the world-recognised Carnegie Mellon University. These scholarships, worth $90,000 each, will enable students to complete a Master of Science in Information Technology at its Adelaide campus, equipping students with information technology, information systems and business management skills. This is a very important investment in ICT skills, which shows people who may be considering taking up an ICT career the high value placed on their skills by industry and the array of interesting jobs which will likely be open to them upon graduation.

I have been asked about alternative policies. I have to say it is a bit disappointing: I have looked in vain for any position taken by the Labor Party on building Australia’s ICT base, and I have found none. After years of pretending to support the ICT industry—wait for this, Mr President—at the last election Labor planned to abolish the Invest Australia initiative, which is selling Australia’s ICT industry to the world. Since then, the opposition has stood by, clueless—absolutely clueless—with no plans at all for Australia’s in-
formation technology future. By contrast, this government continues to stand up for the ICT industry, working hard and hand in hand with it to build a vibrant ICT sector and to increase the job opportunities available within it.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s gallery of a parliamentary delegation from the Democratic Socialist Republic of Sri Lanka, led by the Hon. Nimal Siripala de Silva MP, Minister of Healthcare and Nutrition and Leader of the House. 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

Renewable Energy

Nuclear Energy

Senator GEORGE CAMPBELL (2.22 pm)—My question is to Senator Abetz, the Minister representing the Minister for the Environment and Water Resources. Is the minister aware of the former environment minister’s proposed national code for wind farms? In pushing for the code, didn’t the minister say:

To help overcome this problem, it is vital that we make every effort to ensure majority community endorsement.

Didn’t the former minister advocate involving local communities in decision making for approving wind farms, particularly given the impact on property values? Will the current environment minister now follow the lead of his predecessor and propose a national code for nuclear reactors to ensure communities have a say in decision making and that no reactors are built unless they have majority community support? Or does the government only require renewable energy projects like wind farms to attract majority community support?

Senator ABETZ—There are a number of issues in that question by Senator George Campbell. First of all can I indicate to the honourable senator that in fact the idea of doing community consultation in relation to wind farms, I understand, was first raised by the former Labor member for McMillan, Christian Zahra. So before the honourable senator gets too excited about that issue he might like to look to his own troops to see where that idea came from.

Having said that, one great thing about this government at all times has been our willingness to consult with the community on the difficult issues of the day. That has been one of the hallmarks of this government. Senator Ian Campbell, whilst he was Minister for the Environment and Heritage, did a very good job in consulting with the community. Senator Campbell has now been given the very important task of undertaking human services—he is still within the cabinet—something that millions of Australians are very concerned about. We on this side believe that it was in fact a vote of confidence in Senator Campbell that he should be looking after these millions of Australians, whereas of course Senator Ray thinks anything to do with human services is a belittlement and a degrading of position. But we embrace all those people who rely on the human services portfolio of this country. We are not ashamed of them. We think that is an important role, and that is why it is rightly in cabinet with Senator Campbell representing it.

Can I turn to the issue of nuclear reactors. Before Senator George Campbell gets too excited about that issue, can I simply remind him that under Australian legislation as it stands at the moment we will not be having nuclear power stations. Therefore—
Opposition senators interjecting—

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

Senator ABETZ—Those opposite are just so anxious not to hear the facts or allow the Australian people to hear the facts, because, once they understand the facts, the Labor Party’s scare campaign will fall to pieces—as it did with the GST, as it did with Work Choices and as it will do in relation to this issue as well. The situation they raise is hugely hypothetical and not deserving of a response.

Senator GEORGE CAMPBELL—I ask a supplementary question, Mr President. Given recent comments by a number of coalition MPs, can the minister indicate whether he would support the building of a nuclear reactor in his home state of Tasmania? Given the need to locate a reactor near the sea and existing infrastructure, wouldn’t Bell Bay be a likely site for such a nuclear reactor in Tasmania?

Senator ABETZ—That is the embarrassing consequence of the Labor Party’s question time committee handing out questions: Senator George Campbell would have no idea where Bell Bay was—and I hope he does not know where Tasmania is, because if he ever were to come to Tasmania he would cause the sort of mayhem and job losses that he presided over when he was in the trade union movement in New South Wales.

Senator George Campbell—I rise on a point of order, Mr President. This was a specific question to the minister. It was not about my travels to Tasmania, although I have been to Bruny Island, where the minister has a holiday shack, and you certainly would not put a nuclear reactor on Bruny Island.

The PRESIDENT—I believe the minister was coming to the question. I would remind him that he has 30 seconds to reply.

Senator ABETZ—Senator George Campbell has finally excited my interest with his point of order, because I would be delighted if he could take me to my holiday shack on Bruny Island, because it would be the first holiday shack I have ever owned. So I would be delighted to be shown it and I look forward to Senator George Campbell taking me there! As I have indicated earlier, all this scare campaign by the Labor Party is based on a hypothetical which is simply designed to allow them to get into office under a false premise.

Gynaecological Cancer

Senator FERRIS (2.29 pm)—My question is to the Minister for Ageing, Senator Santoro, in his capacity representing the Minister for Health and Ageing. In this National Ovarian Cancer Awareness Week, would the minister outline to the Senate what steps the Howard government is taking to help combat gynaecological cancers in Australia.

Senator SANTORO—Before I get into the substantive answer, I acknowledge the tremendous work that Senator Ferris has done in promoting greater public and government interest in gynaecological cancer, of which she is a courageous survivor, and I am sure that I speak on behalf of everybody when I say: Senator Ferris, may you continue to be a survivor for a long time to come. I also acknowledge the vital work and assistance provided to Senator Ferris by her colleagues in this place, including Senator Moore, Senator Polley, Senator Nash and Senator Allison, under the very good stewardship of Senator Humphries as committee chairman. With guidance and assistance from capable senators in this place, Senator Humphries always seems to produce very good reports, and he has done it again.

In this National Ovarian Cancer Awareness Week the government recognises that
Gynaecological cancer affects the lives of more than 3,800 Australian women who are diagnosed with this dreadful disease each year. Yesterday the Minister for Health and Ageing announced that a new centre to help combat gynaecological cancers is to be set up by the Commonwealth government. Again, credit must be given here. I was so pleased to hear Senator McLucas, during her response to the report yesterday, acknowledge the incredibly tenacious and persistent role that Senator Ferris played in convincing and making representations to Mr Abbott.

Senator Webber—Mr President, I rise on a point of order. I hate to correct you, Minister, but I think you will find that it was Senator Moore who made the contribution yesterday, and Senator Judith Adams was on the committee.

The President—It was not a point of order; it was a point of clarification.

Opposition senators interjecting—

The President—Order! Senators on my left will come to order. This is a very serious question and the minister deserves to be heard in silence.

Senator Santoro—Senator Moore would clearly acknowledge that I was looking at her when I made that statement—and, of course, I meant her. The centre will receive $1 million in seed funding to support its establishment and initial operation. It will provide education and increase awareness among health professionals on gynaecological cancers and it will operate under the auspices of Cancer Australia. The centre is part of the government’s response to the report of the Senate Standing Committee on Community Affairs inquiry into gynaecological cancer in Australia, which was entitled—rather sensitively, I thought—Breaking the silence: a national voice for gynaecological cancers. All 34 of the committee’s recommendations have been considered carefully and the government supports the committee’s recommendation that cancer agencies should work together to coordinate gynaecological cancer care in Australia.

Australia has—and we are proud to boast about this all the time—one of the best systems of cancer care in the world, and the health system is performing well in lengthening survival through the early detection and treatment of cancer. Advances continue to be made in gynaecological cancer research. Over the last six years the National Health and Medical Research Council has provided more than $44 million for research into gynaecological cancers. The government has also heavily funded the delivery of breast and ovarian cancer programs through the National Breast Cancer Centre, which has a vital and highly regarded role in the delivery of ovarian cancer programs and breast-screening programs and will work closely with the new centre. The National Cervical Screening Program has been so successful in detecting and following up precancerous abnormalities that the incidence of cervical cancer has fallen by 57 per cent in the past 10 years and mortality has fallen by 58 per cent. Ably led by good people like Senator Ferris, this government will continue to work closely with the health sector, as well as survivors, in combating gynaecological cancers in Australia.

Smartcard

Senator Stott Despoja (2.33 pm)—My question is to the Minister for Human Services. Given that in August last year more than 100 Centrelink employees were sacked or fined or resigned as a consequence of privacy breaches—and the Australians affected were not informed at the time—what safeguards, if any, does the government intend to introduce in its access card legislation to ensure that unauthorised snooping by Com-
monwealth, state or private sector employees is not allowed?

Senator IAN CAMPBELL—I thank Senator Stott Despoja for her question and for her interest in the government’s project to bring modern technology to the cards that will help deliver health, social services and Veterans Affairs’ payments to the people of Australia. It is a very important project and a very big project. I think it is incredibly important that we respect the fact that people in Australia have very legitimate concerns about their privacy, the protection of their information and the quality of the processes involved in ensuring that those who need to access Medicare payments, Centrelink payments such as Newstart and youth allowance, and Veterans Affairs’ payments receive them on time, efficiently and effectively. Furthermore, I think it is equally important—and I am sure that Senator Stott Despoja would respect this—that Australians know that the welfare cheats, the people who create fraud against the system in relation to Medicare or other payments, are kicked out of the system. I think that is common ground for me and the senator.

I did make the point yesterday that I believe the Labor Party is stalling and trying to stop this legislation—trying to stop the health and veterans services card—and that makes it entirely appropriate to say, as I have said on occasions, that they are helping those who would conduct fraud against the taxpayer. We must remember that the fraud that takes place—and I will get to the privacy aspects, because they are important—because of the current Medicare card and some of the processes that Senator Stott Despoja has referred to comes out of the back pockets of every Australian. The roughly $4 billion that I think the head of the Australian Federal Police has identified as the cost of identity fraud—and he says 50 per cent of it is based on the Medicare card, which we are seeking to replace—comes out of the back pockets of taxpayers. The fraud against the welfare system and the fraud against the Medicare system—and I think KPMG have estimated that that is up to $3 billion—comes out of taxpayers’ pockets.

It is absolutely proper that we look very closely at the privacy aspects of the new card. What Senator Stott Despoja has highlighted is the fact that under the current system within Centrelink, yes, some Centrelink employees offended. I remind the Senate that we have roughly 38,000 employees within the social services system, the great majority of whom work incredibly hard under incredibly tough circumstances to serve, generally speaking, the people in this community who are doing it the toughest—people who are long-term unemployed, people who need support. They are very good people. Yes, we have—and I do not have the exact figure before me—close to 100 Centrelink employees who have in fact had their employment ceased as a result of inappropriate browsing of other records. We pick that up using high-quality electronic systems. If a case of inappropriate browsing of a customer’s details is found by Centrelink, there are procedures in place to identify the person—it is very easy to identify, using electronic techniques—there are logs kept of anomalous behaviour—(Time expired)

Senator STOTT DESPOJA—Mr President, I ask a supplementary question. I ask the minister very specifically this: will the government legislate to prohibit unauthorised access, something we do not currently have? In relation to informing those people who may be affected by a privacy breach, will the minister give a commitment that, as part of the access card proposal, those Australians who are affected by a privacy breach will be informed? Will the government make it very clear that Commonwealth officers, for example, who copy, browse or obtain infor-
mation from the card or the database in an unauthorised way are guilty of an offence if they do so?

Senator IAN CAMPBELL—Mr President, I do apologise for having been a bit longwinded, but I am trying to get to the key point, which is that the systems that we have in place are zero tolerance. For example, within Centrelink if people are caught browsing inappropriately, they are dealt with very harshly. There are existing laws that deal with that, and they are very effective. As I said, with 38,000 employees you cannot expect all of them to be perfect. But if people are caught—and we have very effective systems in place to catch them—they will be dealt with. So there are existing laws to deal with that and they are working. In terms of suggestions about whether or not, with the introduction of a card which will allow better access for Australians to these services, additional measures need to be put in place, as I have said before a Senate estimates committee and as I have made clear in this chamber, I am very keen to ensure that all Australians know their privacy will be protected. I reassure them that the card does not affect it and that we have fantastic processes in place to protect it under existing legislation. But I retain an open mind in terms of enhancing privacy around the introduction of the card.

Bushfires

Senator HUMPHRIES (2.41 pm)—My question is to Senator Abetz, the Minister for Fisheries, Forestry and Conservation. Will the minister update the Senate on the environmental impact of this summer’s bushfires, particularly those in the Pilliga region of New South Wales and the Victorian Alps? Are these big fires and their effects inevitable?

Senator ABETZ—I thank Senator Humphries for his question and note his strong commitment to and interest in this issue, including as a former Chief Minister of the ACT. I also note, as an aside, that, unlike the current Chief Minister of the ACT, he never faced a no-confidence motion in the Assembly dealing with the issue of bushfires.

This summer Australia has once again seen a number of big fires which have caused significant economic and, in particular, environmental damage. Last week I undertook a tour of some of these fire-affected areas, particularly in the ACT, the Pilliga region of New South Wales and the alpine areas of Victoria. Throughout this tour I was hearing a consistent message: large areas of well-managed, multi-use forests have been mindlessly locked up and are no longer being managed.

In the Pilliga region of New South Wales there is a forest which New South Wales Labor promised not to lock up but then did, supposedly to conserve its environmental values. Almost 100,000 hectares of this famous forest in that region have been literally razed to the ground, along with koalas and all the wildlife. Its cypress trees are not fire resistant; they will not recover from the fire. It will be many decades, if ever, before these unique forests return. And the story is the same in the Victorian Alps. In 2003 an intense bushfire which reached temperatures hot enough to melt aluminium and warp guardrails killed the majestic alpine ash forests of the region, an area in which cattlemen had grazed their cattle for decades. Alpine ash, unlike most eucalypts, do not recover from fire. Instead, the dead trees drop massive amounts of seed and a new forest emerges the following spring. Unfortunately, this year we saw a second big fire sweep through the region, killing the regrowth. With no mature trees left to sow new seed, these majestic alpine forests are now gone, possibly forever.
As long as state governments continue to pursue their green, ideologically driven ‘lock it up and forget it’ mentality, these big fires will continue to destroy our environment. That is why the very well-researched article in today’s Bulletin by Tony Wright, ‘Greenies destroying our national parks’, should be compulsory reading, especially for the Leader of the Australian Greens, Senator Bob Brown, and especially given that the Australian Greens are currently reviewing their policies. As of yesterday, the Australian Greens website informed us that all their previous policies had been withdrawn. All of them—even their beloved drugs policy and even their beloved antiforestry policies—have been withdrawn. They are no longer operative. I kid you not—

Senator Bob Brown—Mr President, I rise on a point of order. The government has no policies at all on its website. What is he talking about?

The PRESIDENT—Senator Brown, what is your point of order?

Senator Bob Brown—I hope he is going to get onto his comments on the Tasmanian bushfire—

The PRESIDENT—There is no point of order.

Senator ABETZ—As always, there is no point to anything the honourable senator says. The Greens have now gone from kooky policies to no policies, from the Chairman Mao view of the world to the Pauline Hanson policy-free view of the world. Given Senator Bob Brown’s policy announcement last week that he wanted to destroy 26,000 coal industry jobs in this country, and given his drugs policy, his no-policy stance is a lot more preferable to his previous policies. (Time expired)

Senator HUMPHRIES—Mr President, I ask a supplementary question. I thank the minister for that answer and for including the ACT in his tour. Can he provide further information to the Senate on the role that governments can play in reducing bushfire rates and hazards?

Senator ABETZ—State and territory governments have a vital role to play in reducing the bushfire threat. They need to accept that the Greens ideologically driven stance of ‘lock up and forget’ is not working for the people, the community, the economy and, above all, the environment and wildlife. The great challenge for the Australian Greens and the Labor state governments right around this country is to start accepting the local knowledge of the local people in these rural and regional areas and to stop this nonsense of locking up and forgetting our national parks. That policy is now responsible for bushfires pumping—as Tony Wright so rightly heads his article in today’s Bulletin—40 million tonnes of carbon dioxide into the atmosphere. That is courtesy of the policies that Senator Bob Brown and the Greens and the Labor state governments are advocating. (Time expired)

Water

Senator WONG (2.47 pm)—My question is to Senator Minchin, the Minister for Finance and Administration. Can the minister confirm that his department was only told about the Prime Minister’s $10 billion water package late on the afternoon of 22 January, fewer than three days before the package was announced? Isn’t it true that Finance is only ever asked, in departmental secretary Ian Watt’s words, to ‘run an eye lightly over the costings’ of a package that has already been determined by the Prime Minister’s department? Isn’t it also the case that Treasury was not even asked to assess the economic impact or do any detailed costing of the package? Isn’t it also the case that cabinet was not even consulted on the package? How can the minister for finance possibly justify a
process that commits $10 billion of taxpayers’ money without any detailed costing by Finance, Treasury or even a consideration by cabinet?

Senator MINCHIN—The Labor Party must be getting desperate for questions if they have to rehash conversations that took place in estimates that are all on the public record. That question adds nothing and is simply a repeat of a line of questioning which we had in estimates.

Senator Carr—How about an answer?

Senator MINCHIN—I answer by congratulating the Prime Minister and the premiers of Queensland, New South Wales and South Australia for agreeing on a very historic and substantial reform of the way in which we manage our water resources in this country. The three Labor premiers and the Prime Minister have signed an historic deal to transfer responsibility for the Murray-Darling Basin to the Commonwealth and, in return, the Commonwealth will invest some $10 billion over the next 10 years in vastly improving the efficiency with which we use water from the Murray-Darling Basin. I congratulate those Labor premiers for reaching an agreement with the Prime Minister on such an historic arrangement and I urge the Labor Premier of Victoria to join his Labor colleagues from the other three jurisdictions in signing on to this agreement.

As I said quite openly on this matter, it has been dealt with in estimates and I really have nothing to add. How the package was developed and presented is all on the public record. That is, as with all governments, the prerogative of the Prime Minister. The question of the detailed costings and the programs that will be funded under this tremendous initiative, for which the Prime Minister should get enormous accolades, will of course be considered by the ERC.

Senator George Campbell had a very long lunch; could someone wake him up? This is a very important question and a senator from New South Wales should be concentrating on it. The full, detailed costings of the programs to be funded under this tremendous initiative will go through the ERC and the full budget process and be detailed in full in the budget over the forward estimates period. Again, I congratulate the Prime Minister and the three Labor premiers. This is a fabulous initiative and, most importantly, it provides water security for my own home state and Senator Wong’s state of South Australia. She should be applauding the initiative instead of nit-picking in the pathetic way that she is.

Senator WONG—Mr President, I ask a supplementary question. Does the finance minister consider questioning $10 billion decisions to be nitpicking? What does it say about the government’s financial discipline when $10 billion is committed without any detailed costing or cabinet consideration? Isn’t this a case of financial discipline and proper process being tossed aside by a government in search of a headline? Is this the approach to government expenditure and decision making that he as finance minister supports?

Senator Kemp—Your Premier supports it.

The PRESIDENT—Senator Kemp, come to order!

Senator MINCHIN—The costings that have been done so far were developed by a cross-portfolio team headed by PM&C which involved consultation with Treasury and Finance. They were developed using the best available information, drawing upon expertise from a range of sources.

Senator Conroy interjecting—

The PRESIDENT—Senator Conroy!
Senator MINCHIN—This includes information on costs associated with the detection and treatment of leaks from irrigation channels, improvements to irrigation technology, such as laser irrigation, and the instatement of drip systems. It was very detailed work that went into developing this $10 billion costing. I call on Senator Wong to get on board, join with Premier Rann, her Labor Premier, in supporting this package, instead of her pathetic nitpicking and attacks on it.

Smartcard

Senator NETTLE (2.52 pm)—My question is to the Minister for a Human Services, Senator Ian Campbell.

Senator Conroy interjecting—

The PRESIDENT—Senator Conroy, you are warned! You have been continuously interjecting all question time, and I ask you to come to order!

Senator NETTLE—My question is to the Minister for Human Services, Senator Ian Campbell. Given that the government’s new ID card plan will create an enormous national database with biometric photos and information on almost all adult Australians and many children, can the minister inform the Australian public about who exactly will have access to the national database? In particular, can the minister confirm that the Security Intelligence Organisation, ASIO, and the Australian Federal Police will be able to access the database, and on what basis that access will occur?

Senator IAN CAMPBELL—I thank Senator Nettle for the question. We did have very thorough questioning on these issues at the recent Senate estimates committee hearing, and I thank Senator Nettle for taking an interest in this. As I have said on previous occasions, the reason we want to bring in modern technology to a card that delivers Medicare payments, Centrelink payments and Veterans Affairs payments is that the existing card based systems, which are plastic cards—in fact, some of them are paper cards—are easily copied. If you have a colour photocopier, you can photocopy a Medicare card, get it laminated and potentially defraud taxpayers of billions of dollars.

There was a recent case in Queensland where a doctor ripped off Australian taxpayers to the tune of $2 million. There are a whole range of cases because, effectively, what occurred when the previous Labor government handed out Medicare cards—which, as I have said, are very easy to create copies of at very cheap prices—was they formed the basis of a lot of the proof of identity that is required within the Australian system. As I have said, the head of the Australian Federal Police has said that identity fraud costs Australia—that is, taxpayers, the mums and dads who pay their taxes—up to $4 billion a year. And about 50 per cent of that identity fraud—that is, creating a false identity, stealing someone else’s identity, borrowing their identity or manipulating your own identity—occurs very easily using the current system. There is no doubt we do need a new card that is high quality. Most Australians also know that there are many cards that exist at the moment with photographs on them. Photographs are a constructive way and a practical way for people to identify themselves. I think virtually all states now have photographs on their drivers licences. That is something that Australians understand is useful in terms of their security.

The database that will be created under the new card proposal, which will provide Medicare, Centrelink and Veterans’ Affairs payments and services to people, will have a high-quality photograph on it which will help us to recognise the person who is claiming the Medicare payment and ensure that they can identify themselves. It will make it much, much tougher, if not impossible, for a fraudster or a rorter to get access to the
nearly $100 billion in payments that the Australian taxpayers make available to people at the rate of about $3,000 per second—that will probably make the finance minister shudder, but we pay out $3,000 a second. We want to make sure that that money goes to the people who deserve it and who are entitled to it. We want to make sure that the taxpayers do not get ripped off to the tune of billions of dollars.

The senator asked about ASIO. Access by security agencies to this information is controlled by the laws that govern those agencies. My understanding is that ASIO and the Australian Federal Police will be coming before the Senate committee—I think the hearings are next week; the senator may know better than I do—to explain exactly the interaction there. From the briefings I have obtained, my understanding is that they will require, as they require at the moment, warrants issued by a court to get access to that sort of data. There will be no centralised megadatabase associated with the card. The card is effectively a key to allow the Australian people to access their Medicare payments, their Centrelink payments and their Veterans’ Affairs payments.

(Time expired)

Senator NETTLE—Mr President, I ask a supplementary question. I would be interested in hearing from the minister anything more he can describe to us about the level of access ASIO and the AFP will have. At estimates there was an indication that they would only require a search warrant in some circumstances, that in other circumstances they would be able to trawl through the database. If the minister is able to clarify that for the Senate, that would be appreciated. Then perhaps the minister could inform the Senate whether there is any other country that has this form of national ID database, where police are able to trawl through that database and access the information provided in that database, and what mechanisms they have for whether they need a warrant or can simply trawl through the database. That would be appreciated.

Senator IAN CAMPBELL—Again I thank the senator for the supplementary question. It is incredibly important that the Australian people have faith in the privacy aspects of this, I think, very important reform. The agencies that the senator refers to have at my suggestion—and I think at the Senate committee’s suggestion—said that they will come along to the Senate committee and answer detailed questions about the very interactions that Senator Nettle is requesting information on.

I made the reference of this legislation to the Senate committee, and made it for as long a time as possible—I think it is just under six weeks—so that there is an open process of analysis of this legislation. I want to make sure that all senators are convinced in their own minds that this card is a good idea to make it easier for people to access payments—Medicare, Centrelink and Veterans’ Affairs—but that their privacy will be protected. I think one of the key elements of that is that the existing data that relates to Australians at Centrelink, Medicare or the Department of Veterans’ Affairs stays exactly where it is, and this does not change the access for third parties to that information.

(Time expired)

Howard Government: Expenditure

Senator SHERRY (2.59 pm)—My question is to Senator Minchin, Minister for Finance and Administration. Does the minister recall defending the decision not to take the water package to cabinet at estimates on 12 February, when he said, ‘$1 billion a year, which is less than half a per cent of Commonwealth government expenditure’? Is it the position of the government that decisions costing $1 billion a year of taxpayers’ money no longer have to go to cabinet? Where is
this in the cabinet handbook or, indeed, the Charter of Budget Honesty? How can the finance minister maintain financial discipline and proper management of public finances without cabinet scrutiny of programs worth $1 billion a year? Is the government’s declining accountability a demonstration of its growing arrogance in placing politics before good governance?

Senator MINCHIN—I must confess to being guilty of an ill-judged attempt at irony in estimates. I would say to all my ministerial colleagues: never attempt irony, because you never get away with it! On the question, I did also say during estimates that there are no specific published criteria under either Labor governments or our government as to which decisions go to cabinet or committees of cabinet at specific stages of the decision-making process. That has been the case, I think, for the history of the Commonwealth. It is the prerogative of prime ministers to decide at what point in a decision-making process in relation to government initiatives is cabinet, cabinet committee or senior ministerial consideration to be applied to the particular proposal.

I also said, in my answer previously to Senator Wong, that of course the detailed expenditure programs under this great initiative will be subject to the rigours of the expenditure review committee and the full budget process and will be set out in detail in the budget that is released on 8 May, giving the four-year spending profile for all the programs that will take place under this major and very exciting new initiative.

Senator SHERRY—Mr President, I ask a supplementary question. Can the minister confirm that, while the major $10 billion spending package on water policy had no cabinet scrutiny, the decision to spend $250,000 on a gold- and jewel-encrusted stagecoach for Her Majesty the Queen was fully considered by cabinet and after the Prime Minister’s intervention? Isn’t this just another example of a stale and tired government and a minister not ensuring due process for billions of dollars of policy expenditure?

Senator MINCHIN—In fact, it is a pathetic demonstration of the Labor Party attempting to rehash material that they went through in estimates. They feel that they did not get a run out of it, so they are going to try and get a run out of it at question time. They have run out of questions, so they have to rehash estimates material. It is pathetic and they are obviously a very tired old opposition. Mr President, I ask that further questions be placed on the Notice Paper.

PARLIAMENTARY LANGUAGE

The PRESIDENT (3.02 pm)—Order! Yesterday at question time I undertook to consider remarks which were made during answers by Senator Ian Campbell to questions about the smartcard. As a preliminary point, I remind senators that it is extremely difficult for the chair to properly regulate the language used in the chamber when there is so much noise and shouting across the chamber, as there was yesterday and, at times, today. If senators wish the chair to maintain proper decorum in debate, they should refrain from that kind of behaviour.

Yesterday senators used the expression ‘hypocrites’ of other senators. That term is out of order under standing order 193(3) whether used of individual senators or groups of senators, and it was properly withdrawn by the two senators who used the term. Senator Ian Campbell yesterday referred to senators as ‘friends of the fraudsters’ and on Monday used similar terms and also referred to senators directly as a ‘fraudsters’ and ‘rorters’.

After a careful examination of the Hansard, it is clear that these terms are also out of order under standing order 193(3), and I
now ask Senator Ian Campbell to withdraw them. I ask senators to refrain from such unparliamentary language in future and to avoid the sort of noise and disorder which has characterised question time yesterday and today.

Senator Ian Campbell—I withdraw.

ENVIRONMENT GROUPS:
DEDUCTIBLE STATUS
TASMANIAN PULP MILL

Returns to Order

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.04 pm)—I draw the Senate’s attention to orders for production of documents Nos 24, 25 and 27, orders to the Minister for the Environment and Heritage about the Tasmanian pulp mill and to the Minister representing the Prime Minister and to the Minister for the Environment and Heritage about environment groups. I ask that these orders be responded to or an explanation given by the ministers as to why they have not been responded to.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (3.04 pm)—My office was not made aware of this request or, if it was, it was not passed on to me that it would be raised today. I will look into it and see where those requests are.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Renewable Energy

Senator MINCHIN (South Australia—Minister for Finance and Administration) (3.04 pm)—Yesterday during question time, Senator Milne asked me a supplementary question about solar thermal energy and, in particular, recent reports of the CRC for Coal in Sustainable Development. I undertook to provide additional information to Senator Milne. I can inform the Senate that the CRC for Coal in Sustainable Development has a report that is publicly available on its website titled *Techno-economic assessment of power generation options for Australia*. This report compares a range of power generation technologies and found that: ‘The cost of concentrated solar thermal energy is twice that of wind and unacceptably high compared with fossil energy.’

Research carried out by the cooperative research centres, which are now required to be incorporated, is owned by the particular CRC. As owner of the research, whether it be industry or a CRC, the owner can choose whether they act on the research or release it publicly. It is not up to the government to mandate what is and what is not available in the public domain. The CRC website lists all its reports, and its activities are reported in its annual report, which is also available online.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Nuclear Power

Senator CARR (Victoria) (3.06 pm)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked by opposition senators today relating to nuclear power.

It is little wonder that the government had such trouble answering those questions, which went to its plans for nuclear power, its failure to have plans for a high-level waste dump and its failure to have plans for protocols for the use of nuclear power. Today we have seen that the government’s ‘cunning plans’ are clearly all in a mess. This government has been caught out again trying to be too clever by half, seeking to come up with quick fixes to political problems rather than developing long-term strategies to deal with the challenges that are faced by this country.

What began as a sneaky plan to wedge Labor has backfired. We now have a situa-
tion where government ministers have a considerable amount to explain. We are entitled to know how it is that the government can plan to build nuclear power stations and where they would build these power stations. We are entitled to know how the government can contemplate such measures when they cannot even build a low-level nuclear waste dump, not to mention a high-level nuclear waste dump. So at the moment we have a complete and total debacle by the government.

For some time we have seen that some ministers have been honest enough to press their concerns and push for nuclear power in this country. We have also seen some ministers express their scepticism about the economic viability of such proposals. We have had the expertise demonstrated to us time and time again—or at least asserted to us to be demonstrated—by Senator Minchin. He pointed out that he is probably the most expert minister in the government on the question of nuclear power and nuclear energy, but he went on to say that such a proposition will not be viable for 100 years. Of course, such a position runs in sharp contrast to the position taken by the Minister for Industry, Tourism and Resources, who says that such nuclear power facilities will be available within 10 years. We have seen the position of the Chief Scientist, Dr Jim Peacock—who is also a supporter of nuclear energy—who pointed out that the Switkowski report clearly ignored the advice from international experts, ignored community advice and, more importantly, had a totally unrealistic attitude that a nuclear reactor could be operating in Australia in as little as 10 years hence.

We have seen unrealistic estimates of a 10-year cycle being established, at odds with even the most optimistic assessments from within the Liberal Party. In seeking these answers from the government, which it failed to deliver today, it is important for us to establish why it is that the Prime Minister—a very clever politician—has sought to enrich his mates through his various contacts in Australian Nuclear Energy, which was registered just five days before the Prime Minister established his nuclear futures inquiry. We need to see why Senator Minchin, who does not believe such an industry is likely for a century, argues that such a proposition should be considered as a viable option in the current environment—an environment in which we have coal supplies in this country which are able to last us for the next 600 years.

We are entitled to ask why it is that the Prime Minister ramped up this issue by announcing an inquiry into nuclear energy in early July last year, which closely followed the contacts that had been made by the former Treasurer of the Liberal Party in Victoria. We saw that quite strident measures had been taken through the government to secure a nuclear future when, quite clearly, the government cannot even get its story straight on a low-level nuclear waste dump, let alone the extraordinary complexities that would be required for a high-level nuclear waste dump. From this government we are now hearing proposals to establish a global, high-level nuclear waste dump in this country. So we are entitled to know: where are these facilities going to go? (Time expired)

Senator FERGUSON (South Australia) (3.11 pm)—I have never seen a party so confused over the issue of nuclear activity, nuclear production or uranium mining in my life. Perhaps Senator Carr should have started his contribution by saying whether or not he supports the expansion of uranium mining. Senator Carr, it is all very well to leave the chamber, but perhaps you could tell us whether you support the expansion of uranium mining. Perhaps Senator McEwen, my colleague from South Australia, could tell us whether she supports the expansion of
uranium mining. For a majority of people in the Labor Party it would appear as though it is okay to expand the mining of uranium so that you can sell uranium for others to produce nuclear power, but it is no good for Australians to produce nuclear power. I wonder whether we sell good uranium overseas and keep bad uranium here! It is an issue on which the Labor Party have looked as though they may change their mind. I am not even sure where Senator Marshall stands on the issue of expansion of uranium mining. He probably supports it, but perhaps he will tell us later.

The government have no plans for nuclear power. The government have no plans to build a nuclear power station—no plans whatsoever. What the government do support strongly is an informed public discussion on nuclear energy as one of the options for Australia. That is what the government support. They want to support a public discussion that is driven by facts, not the emotion, hysteria and scaremongering that we see from the Labor Party opposite. In the Labor Party a majority want to mine more uranium to sell to other people to produce nuclear power, but they are too afraid to have the public discussion in Australia as to whether or not nuclear power should be part of the energy mix for Australians in the future. Labor oppose having this debate for political reasons, because it is simply too hard for them. They do not like this hard debate as to whether or not it should be part of the mix. So we have the strange situation where some people in the Labor Party want to expand uranium mining and some key people in the Labor Party want to keep the three-mines policy. That is the policy they have had for the last 20 years, where uranium that is mined in three mines is good uranium, and we can sell that to overseas customers, but all the other mines produce bad uranium!

Do you know who is pushing the expansion of this mine? Senator Bernardi from South Australia would well know. The Premier of South Australia is pushing for an expansion of uranium mining, and he is the same man who, as the senior adviser to the then Premier in 1983, staunchly opposed the building of Roxby Downs and Olympic Dam to produce uranium in South Australia. He staunchly opposed the building of a uranium mine in South Australia and now 20 years later, when he has seen the benefits and the employment that it has provided in South Australia, he has come to the conclusion that he wants to make that mine even bigger. He wants to increase it until it produces far in excess of what is produces today. I will be interested in what Senator McEwen has to say, a South Australian who I can only assume supports Premier Rann in the expansion of uranium mining. I wonder what she thinks about the uranium going to other people to produce nuclear power. I suppose that is good nuclear power as opposed to any nuclear power that might be produced in Australia, which would be bad nuclear power and bad for our environment!

We have reached the stage where the Labor Party would run a short-term fear campaign because maybe their focus groups have told them that this is a good issue to bring up right now. The focus groups say: ‘People are a little bit concerned. Don’t allow the public debate to happen. Say: “We will not have anything to do with nuclear power. We’ll let other people all around the world use our uranium to produce nuclear power, but we simply will not do it in Australia because in Australia the only thing we can produce is bad nuclear power.”’ We have scare tactics and short-term fear campaigns from them, which they have tried before with things like the GST. Well do we remember the GST. I see the South Australian Treasurer lauding the fact that he is going to have an extra $69
million in GST revenue, which I am quite sure he would want to reverse and do away with as though he had never even received the money! (Time expired)

Senator MARSHALL (Victoria) (3.16 pm)—I am glad Senator Ferguson is interested in what we have to say. He should listen carefully and he may learn something. He ought to listen, but this is a motion to take note of answers to questions asked by the opposition with respect to nuclear power. I asked Senator Brandis, the Minister representing the Minister for Education, Science and Training, today about high-level nuclear waste dumps. I asked a very specific question about whether he agreed with Mr Hugh Morgan that to put together an internationally managed nuclear repository would bring great standing for Australia in the international community. Senator Brandis went on to talk about everything but a high-level nuclear waste dump. He talked about the general issue of nuclear power and about every issue being on the table before the government, and then he told me that he was then going to answer my question. For the next 30 seconds, until his time ran out, he talked about anything but answering my question.

I then gave him another opportunity to address the question on whether the government had any plans, had done any studies or had any proposals on building a high-level global nuclear waste dump in Australia. Again, what did we get? Absolute nonsense—gibberish that did not address the question at all. While Senator Ferguson says he is interested in what we have to say, one might encourage Senator Ferguson to talk to his frontbench ministers and ask them to answer the question, because the Australian public wants to know what the government has to say about nuclear power. It is not good enough for different ministers and for Senator Ferguson to say, ‘We have no plans on nuclear power; all we want is a debate.’ What absolute nonsense.

Look at what the Prime Minister said with respect to Australian Nuclear Energy Pty Ltd. In the middle of last year one of the owners, Mr Ron Walker, rang him up at home, as the Prime Minister said, not to ask him about racing tips but to tell him that he intended to set up a company that has interests in the generation of nuclear power and, obviously, from the comments that he has made, also in a global nuclear waste dump.

As ministers have told us today, having a high-level global nuclear waste dump or generating nuclear energy is against the law presently. Does anyone else find it rather odd that when Ron Walker rings up the Prime Minister and says, ‘I want to set up a company that is going to do things that are against the law,’ the Prime Minister’s response is, ‘That’s a great idea, Ron, because you know my view on it.’ That makes me think that maybe the Prime Minister has ideas to change the law. He is encouraging someone to set up a company that has interests in nuclear generation and high-level global nuclear waste dumps, which are presently against the law. The Prime Minister said, ‘That’s a great idea.’ Quite frankly, I think that is a bit odd. I think there is a bit of scandal going on and I think this is starting to reek.

Senator Joyce interjecting—

Senator MARSHALL—What Ron Walker was obviously doing—and even blind Freddy could see it—was ringing the Prime Minister to get the nod. The Prime Minister says: ‘Yes, Ron, you know my view on this; this is a great idea. Have the nod.’ What happens six days later? We get a report set up and the result comes out—

Senator Bernardi interjecting—

The DEPUTY PRESIDENT—Order!

Senator Marshall is entitled to be heard in
quiet. I understand that you have the call soon, Senator Bernardi; you can express your views then. Babbling is disorderly, Senator Joyce. If you want to enter the debate, put your name on the speakers’ list, please.

Senator MARSHALL—Even if we got some babbling from the government about this, it would be better than the absolute nonsense we have been served up by the minister today, not even attempting to answer the question that I asked him. I think it is very strange indeed that the Prime Minister would encourage someone to set up a company to do things which are presently illegal. As I said, some short time after that the government sets up a report and, strangely enough—what does it do?—it finds that Australia should have 25 to 30 nuclear reactors over the next 20 or 30 years. What a coincidence!

Senator Joyce—Just tell us what your uranium policy is.

Senator MARSHALL—I am surprised that you do not find this odd, Senator Joyce. The Prime Minister encouraged someone to set up a company to do things which are presently against the law, and then reports commissioned by the government suggest that we should have 25 to 30 nuclear reactors. What happens with nuclear reactors? They produce waste. (Time expired)

Senator BERNARDI (South Australia) (3.21 pm)—Listening to Senator Marshall is really quite inspiring! Typically, the Labor Party have once again put the cart before the horse. They have a history of this. They spent all their time in government spending money they never had and now they are finding nuclear reactors where there are none. They are seeing nuclear power stations where none exist and none are proposed to exist.

This government is committed to the future of Australia. It is committed to examining our energy needs going forward and that includes examining the role, if any, that nuclear power will play going forward for this country. But, as the Prime Minister and the Minister for Industry, Tourism and Resources have said, this discussion is an ongoing conversation with the Australian public. It will not happen without bipartisan support. But what I find truly breathtaking about this entire debate today is the fact that the Labor Party are condemning three very successful entrepreneurs for being prepared to establish a company looking into clean fuel generation for the future.

Senator Marshall—It’s against the law.

Senator BERNARDI—What is spell-binding, Senator Marshall, is the fact that you are mocking these entrepreneurs who have provided thousands of jobs and who in fact, one of the Labor state premiers enlisted, and I quote, ‘to save the economy of South Australia’. It was all right to bring him in to rejuvenate and rebuild the South Australian economy. It was all right to rely on his advice, his wisdom and his economic expertise then. But now, when he is prepared to take the debate to the next level, when he is prepared to sink some money into investing in clean energy resources for Australia, he will not get through the door—he will not get through the door of Mike Rann in South Australia. Once again Mike Rann is prepared to close his door to something that may result in investment in our state. We do not know what that investment is, but the simple fact is that we are prepared to examine the issues going forward for Australia, unlike the Labor Party which shuts the door without even considering what the issues are.

You talked about nuclear waste dumps. What is worse—having hundreds of low-level waste dumps littering the streets of South Australia? I am really going to be interested in this because you are storing your
radioactive waste under hospitals, near schools and in residential suburbs. It is absolutely appalling what you are doing because you are not prepared to take a national approach to what is a very serious issue for this country.

Senator George Campbell interjecting—

Senator Marshall interjecting—

Senator BERNARDI—As an electrician you should know something about electrical generation—

The DEPUTY SPEAKER—Order! Senator George Campbell and Senator Marshall! As I asked Senator Bernardi to be quiet during your contribution, Senator Marshall, he is entitled to be heard in peace. Senator Ferguson and Senator Campbell, exchanging views across the chamber when Senator Bernardi is trying to make a contribution is disorderly, you know that, and Senator Bernardi is entitled to be heard in silence.

Senator BERNARDI—I take a big, deep breath here because I need some oxygen just to understand exactly where the Labor Party are coming from. They have a position which, at best, is duplicitous. They want to profit from uranium mining. They want to profit from the benefit of the medical use of nuclear technology but they do not want to store their waste safely; they want to store it under hospitals, near schools and in residential suburbs. They want to store it in hundreds of locations because it is not safe in a national repository. We have had that debate. They want us to go forward with clean greenhouse-gas-free power generation. They purport to support the coal industry and yet they want to reduce emissions by 60 per cent over the next 50 years. It is a very long bow to draw. It is going to cost billions and billions of dollars. This is once again simply an ill-considered attempt to score political points.

What they do not realise is that they jeopardise the future of Australia if they are not prepared to enter into these debates. The Labor Party unfortunately have to wait for their national meeting or whatever they call it—their love-in, their get-together—and they need to have their policy decided for them by their union bosses. We have already heard today on the radio that one of the senators on the other side of the chamber has said they get instructed by their union bosses and, in fact, are under the control of their union bosses, so we know who is pulling the strings in the Labor Party. I suppose that they are trying to deal themselves into the nuclear debate to ensure that they can do something irrational with it, as they have with so many other industries in the course of the history of this country. I say to the people of South Australia and Australia, let us get into the debate, let us encourage people to explore alternative energy sources, not only for the good of our country but for the good of the people of Australia.

Senator McEWEN (South Australia) (3.27 pm)—If there were ever any doubt that this government has had its day, that it is tired and worn out and living in some kind of alternative reality to the rest of Australia, today’s answers in question time were indicative. I am talking, in particular, of the answers given by Senator Abetz, Senator Brandis and Senator Minchin to various questions from the opposition about nuclear power, nuclear reactors and nuclear waste dumps.

While Labor is talking about a future Australia that embraces innovative new technologies to deliver us clean, green and efficient energy, this government is actively out there spruiking nuclear reactors. Senator Minchin said that the government is thinking about it, Senator Bernardi confirmed it, Senator Ferguson confirmed it and Senator Abetz confirmed it. They cannot now run
away and say that they are not going to be looking at having nuclear reactors in Australia.

It is a source of power, as we know, that is cumbersome, massively expensive and dangerous. There are ongoing problems with the disposal of waste that comes from nuclear power, there are problems with how you decommission plants and there is a problem with the initial start-up cost of between $2 billion and $3 billion for a nuclear power plant. There is the fact that we do not actually need nuclear power in this country because we have adequate other resources to provide us with power, including things like wind power and solar power—if this government actually did something about researching and bringing on those alternative sources of power. This government, in particular the Prime Minister, will not rule out nuclear reactors being sited in Australia and it is actively encouraging its Liberal Party mates under the guise of the Australian Nuclear Energy Pty Ltd consortium to investigate sites for the key reactors in Australia.

Today’s answers during question time were sadly indicative of the lazy and knee-jerk response of this government to the issue of Australia’s energy future. Having been in denial about climate change for the last 10 years, having refused to sign up to the Kyoto protocol because they do not want to offend the Americans, having refused to increase Australia’s mandated renewable energy targets, having put every obstacle possible in the way of building a wind farm in Victoria because it would have upset a Liberal candidate’s campaign, the government now say nuclear reactors are a good idea. Bring it on, says the Prime Minister. He says to his Liberal mates that he thinks it is a good idea. Having of course failed to mention to the Australian public before the federal election that they are going to be considering nuclear power, they are now actively out there talking it up. Still, we are used to this government not being honest with the Australian public about what their intentions are. We saw that with the industrial relations legislation.

This government is happy to talk about a discussion on nuclear power, saying that it wants to have a full and free debate about it. But when you ask the government the obvious question that every Australia wants to know—where are we going to site these 25 or so nuclear reactors that are proposed in the Switkowski report?—you get the Prime Minister fudging and getting flustered about it. He gets personally abusive and accuses people who ask that legitimate question of being childish and juvenile and playing games. He said those words yesterday, that people who wanted to know where nuclear reactors were going to be sited in Australia were childish and juvenile.

Today I saw in the press that Port Augusta, in my home state of South Australia, is one of the prime sites for the establishment of a nuclear reactor, if indeed nuclear power proceeds in Australia. People in Port Augusta are today asking the question: ‘Is it going to be us?’ I wonder whether Senator Minchin in particular and the other South Australian senators who were in this chamber before will say to those people in Port Augusta: ‘Don’t be so childish! Don’t be so juvenile! Stop playing games!’ People want to know where these things are going to be put. This government will not answer that question. I am proud to say that Premier Mike Rann has refused to have nuclear power in South Australia, just like he refused to have a nuclear waste dump in South Australia. He is unequivocal. (Time expired)

Question agreed to.

Smartcard

Senator STOTT DESPOJA (South Australia) (3.32 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 Stott Despoja today, relating to the access card.

The Minister for Human Services, Senator Ian Campbell, almost answered my question in question time today relating to unauthorised access to the ID card—the so-called access card. The issue of privacy breaches and the security surrounding the government’s proposed card is a really serious one. At this stage the legislation and the card itself do not prevent unauthorised access—that is, the legislation does not specifically and explicitly prohibit unauthorised access. My question to the government was whether or not they were prepared to outlaw that, to make it very clear that unauthorised access was prohibited. Beyond that there are a range of other issues; not just the issue of detection but the issue of compensation and the issue of informing people who may be affected by a breach.

I drew the senator’s attention to the fact that in August last year, as we know, more than 100 Centrelink employees were disciplined and/or sacked and/or fined for unauthorised access to information about their clients. I am sure everyone in this place is united in the view that it was inappropriate that unauthorised access was prohibited. Beyond that there are a range of other issues; not just the issue of detection but the issue of compensation and the issue of informing people who may be affected by a breach.

Yes, we support measures to eradicate welfare fraud and to crack down on people who may be robbing the system. But my broad concern at this point is for those 17-plus million Australians who are going to have to apply for this card if they want Medicare benefits. They are not being given any certainty, any guarantees, that their privacy and their personal security will not be affected. If the government tries to suggest that, for example, Commonwealth employees from certain agencies, state employees or even private sector employees are prohibited from unauthorised access, at the moment that is a load of rot. I cannot find a line in the legislation that makes that explicit. Senator Campbell gave an undertaking to me in the chamber today that he would willingly con-
sider amendments or changes to the legislation to beef it up, to make it secure—whatever the case may be. That, I can flag to the government, is one amendment that they will have to consider.

This database, the central database that will be created as a consequence of this card, is going to be a honey pot of information that will be able to be tapped into by individuals, lawfully and in an unauthorised way. That is of great concern to me. It is one of the greatest risks to privacy and security of individuals in this country’s history. Yet we do not have an answer today from the minister that unauthorised access will be prohibited. That just goes to show how this ID card is completely outrageous, and the alacrity with which it is being rammed through this place is shameful. (Time expired)

Question agreed to.

NOTICES

Presentation

Senator Bartlett to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Migration Act 1958 to provide fair access to judicial review of migration decisions. Migration Legislation Amendment (Access to Judicial Review of Migration Decisions) Bill 2007.

Senator Bartlett to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Migration Act 1958 to remove unjust restrictions on applications for protection visas, and for related purposes. Migration Legislation Amendment (Removal of Unjust Restrictions) Bill 2007.

Senator Nettle to move on the next day of sitting:

That the Senate—
(a) notes:
(i) that Mr David Hicks remains in Guantanamo Bay despite all British prison-ers having been released by request of their government, and
(ii) the failure of the Howard Government to request that Mr Hicks be released; and
(b) calls on the Government to place a request with the Government of the United States of America for Mr Hicks to be released.

Senator Nettle to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Marriage Act 1961 to create marriage equality for all relationships regardless of sexuality or gender identity, and for related purposes. Marriage (Relationships Equality) Amendment Bill 2007.

Senator Wong to move on the next day of sitting:

That the Senate—
(a) notes that:
(i) nuclear energy is not economically viable in Australia,
(ii) nuclear energy is not a climate change solution for Australia, and
(iii) the delay in establishing nuclear power would only exacerbate the 11 years of inaction under the Howard Government; and
(b) calls on the Government to publish the details of any plans, including possible locations, for nuclear reactors and high level nuclear waste dumps in Australia.

Senator Nettle to move on the next day of sitting:

That the Senate insists that Australia’s teachers, through their unions, be directly involved in formulating a national curriculum.

Senator Murray to move on the next day of sitting:

That general business order of the day no. 2, relating to the Charter of Political Honesty Bill 2000 [2004], be discharged from the Notice Paper.
Senator Murray to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Commonwealth Electoral Act 1918, and for related purposes. Electoral (Greater Fairness of Electoral Processes) Amendment Bill 2007.

Senator Milne to move on the next day of sitting:

That the Senate endorses Australian law which bans nuclear power stations.

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Carr for today, proposing the reference of a matter to the Community Affairs Committee, postponed till 1 March 2007.

Business of the Senate notice of motion no. 3 standing in the name of Senator Bartlett for 1 March 2007, proposing the reference of a matter to the Rural and Regional Affairs and Transport Committee, postponed till 21 March 2007.

INTERNATIONAL WOMEN’S DAY

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.38 pm)—At the request of Senator Nettle, I move:

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 disadvantageous female workers.

Question negatived.

Senator Bob Brown—Mr Deputy President, can I have it noted that my fellow Greens senators supported that motion.

COMFORT WOMEN

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.40 pm)—At the request of Senator Nettle, I move:

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.
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.

Question put.
The Senate divided. [3.44 pm]
(The President—Senator the Hon. Paul Calvert)

AYES

Allison, L.F.
Bishop, T.M.
Brown, C.L.
Carr, K.J.
Evans, C.V.
Fielding, S.
Hogg, J.J.
Hutcheson, S.P.
Ludwig, J.W.
Marshall, G.*
McLachlan, J.E.
Moore, C.
O’Brien, K.W.K.
Ray, R.F.
Siewert, R.
Sterle, G.
Webber, R.

Noes………... 36

Majority……… 2

AYES

Bartlett, A.J.J.
Brown, B.J.
Campbell, G.
Crossin, P.M.
Faulkner, I.P.
Forshaw, M.G.
Hurley, A.
Kirk, L.
Lundy, K.A.
McEwen, A.
Milne, C.
Murray, A.J.M.
Polley, H.
Sherry, N.J.
Stephens, U.
Stott Despoja, N.
Wortley, D.

Parry, S.*
Payne, M.A.
Santoro, S.
Trost, J.M.
Vanstone, A.E.
Patterson, K.C.
Ronaldson, M.
Scollion, N.G.
Trood, R.B.
Watson, J.O.W.

PAIRS

Conroy, S.M.
Nettle, K.
Wong, P.
Ferris, J.M.
Joyce, B.
Coonan, H.L.

* denotes teller

Question negatived.

RENEWABLE ENERGY

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.47 pm)—I move:

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.

Question put.
The Senate divided. [3.49 pm]
(The President—Senator the Hon. Paul Calvert)

Ayes…………
Noes…………
Majority………

AYES
Allison, L.F.
Brown, B.J.
Murray, A.J.M.
Stott Despoja, N.

NOES
Adams, J.
Bishop, T.M.
Brown, C.L.
Campbell, G.
Carr, K.J.
Colbeck, R.
Eggleston, A.
Ferguson, A.B.
Fierravanti-Wells, C.
Forshaw, M.G.
Hurley, A.
Kemp, C.R.
Lightfoot, P.R.
Lundy, K.A.
Marshall, G.
McEwen, A.
McLucas, J.E.
Nash, P.
Patterson, K.C.
Polley, H.
Ronaldson, M.
Sherry, N.J.
Trooth, J.M.
Vanstone, A.E.
Webber, R.

* denotes teller

MR DAVID HICKS

Senator SIEWERT (Western Australia) (3.52 pm)—At the request of Senator Nettle, I move:

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

Question negatived.

SALWEEN RIVER DAMS

Senator SIEWERT (Western Australia) (3.53 pm)—At the request of Senator Nettle, I move:

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.

Question negatived.

MR MURRAY CHAPMAN

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (3.53 pm)—I move:

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.

I seek leave to make a very brief statement on the motion.

Leave granted.

Senator STEPHENS—Murray Chapman, the Aboriginal administrator of the New South Wales Aboriginal Land Council, passed away suddenly in Canberra on the weekend. He was aged just 47. His death came as a great shock to his family, to his friends, the New South Wales Aboriginal Land Council network and to all those who knew him. I know that there are several people in this place who knew Murray.

Mr Chapman was appointed to New South Wales Aboriginal Land Council by the New South Wales Carr government in November 2003 following the sacking of the elected arm of New South Wales Aboriginal Land Council amid allegations of financial mismanagement. His appointment was an inspired one, albeit very controversial because there were many people in the land council movement who were deeply suspicious of an Aboriginal man who would accept an appointment after the sacking of the 13 elected councillors. But Murray moved quickly to allay their fears, and his energy, commitment and dedication to his work proved his appointment to be absolutely in the best interests of Aboriginal communities. In a statement issued from the New South Wales Aboriginal Land Council, CEO Geoff Scott said:

Murray regarded his role at NSWALC as being that of a caretaker pending the return of an elected NSWALC council and as a “change manager” for the organisation ...

He worked to ensure that when an elected council did return it was able, in his words, “to work with better governance policies and procedures, more efficient management systems and structures, and a financial foundation that better fits the organisation and the land council network as it serves our people into the twenty-first century.”

Mr Chapman’s work at New South Wales Aboriginal Land Council followed a long and distinguished career in Aboriginal affairs at both the national and state level with the Aboriginal and Torres Strait Islander Commission, the Human Rights and Equal Opportunity Commission and the Indigenous Land Corporation. For those who knew Murray and his formidable reputation, the sense of loss is both personal and professional. His death is a significant loss to the land rights movement, and Australia is the poorer for his passing.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Financial Accountability Standards of the Howard Government

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

The weak financial discipline of the Howard Government, and in particular, the failure of the Minister for Finance and Administration (Senator Minchin) in view of:

(a) the recent audit office report that found more than one third of agencies administering programs had no performance indicators to address their effectiveness, quality or cost;

(b) the billion dollar policy announcements:

CHAMBER
(i) that blow out in cost due to being insufficiently funded,
(ii) with no public disclosure of ongoing cost or impact on revenue.
(iii) that are not given appropriate detailed examination due to a failure to submit to Cabinet as required in the Government’s own Cabinet Handbook or Charter of Budget Honesty.

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

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

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

Senator SHERRY (Tasmania) (3.58 pm)—At the heart of the resolution that we have placed before the Senate is the general decline in financial accountability standards of the Howard government, particularly over the last two to three years. The issues that highlight the decline in financial management and standards of the Howard government go to matters like the accurate costings of billion-dollar promises, often turning out to be inaccurately costed to the tune of hundreds of millions of dollars; the lack of ongoing transparency and accountability; and the lack of due process—the government’s own processes that it lays down for the costings and announcements of major policies. Why has this come about? Labor would argue that at the heart of this problem, which I am going to illustrate with specific examples a little later in my comments, are the Prime Minister, Mr Howard, and the Minister for Finance and Administration, Senator Minchin.

What we have in Mr Howard—I concede that he is a very smart political operator and has been in parliament for almost 33 years—is a Prime Minister who takes short-term, knee-jerk opportunistic policy decisions when the government gets into trouble. I will illustrate this with some examples later on. We have a government that has now been in office for almost 11 years and finds itself out of touch in a number of public policy areas. The Prime Minister has decided that, in order to regain public popularity and credibility, particularly in an election year, he has to cobble together policy on the run. This government is becoming very old, tired and lethargic and it has cobbled together these policies at the last minute.

Labor is not complaining about the content of some of the policies, but we do complain about the inaccurate costings, the failure to report ongoing costings where there are cost overruns and the lack of due process. It is a real sign of decay when a government makes short-term, opportunistic decisions on the run and fails to cost them in an adequate way. It is not just me that is making this observation. A number of expert and highly regarded independent commentators are starting to analyse the Howard government’s decaying approach to financial management and responsibility, including Mr Allan Fels, formerly of the ACCC, a highly regarded former regulator who is now the Dean of the Australia and New Zealand School of Government—and I think he is an economics-law graduate; and Mr Fred Brenchley, the former editor of the Australian Financial Review, who only this week observed that this Liberal government’s financial discipline and management is in decay and that its approach to the financial framework of government appears to be alarmingly weak.

The Audit Office—thank goodness it is independent; it is one of the few statutory authorities that have not been nobbyed by this
government—has made some very alarming observations about financial management and the lack of discipline in government departments. When it reported this month on the outcomes and outputs framework for government spending programs, it painted a worrying picture of a very carefree attitude to where the money is going. That is a serious conclusion by the Audit Office. Whilst there can be some legitimate criticism of programs administered by departments, at the heart of this is the level of accountability of the Minister for Finance and Administration, Senator Minchin. I do not criticise or blame those hardworking, dedicated and committed officials in Treasury and Finance, whom I often see at Senate estimates. I criticise the political misdirection by the Prime Minister and the lack of political direction by the finance minister in terms of fiscal management and the costing of policies.

The Liberal government has two key bibles in its approach to the costing of policy announcements and ongoing financial management. One is the Cabinet Handbook and the other is the Charter of Budget Honesty. They set out the requirements for the consideration of policy, for the costing of policy and for the whole-of-government considerations, particularly cabinet considerations, for that detailed examination of policy. I am going to refer to a couple of examples of recent billion-dollar announcements that were not presented to cabinet. I am going to refer to a couple of significant examples of breaches of the Charter of Budget Honesty when it comes to reporting significant financial outcomes and cost blow-outs. Nowhere in either of these bibles does it say, for example, that billion-dollar commitments should not go to cabinet. In fact, it says the reverse—that policy announcements are supposed to go to cabinet. All too frequently we have had major announcements, with significant problems in terms of costing and ongoing financial reporting, that have not been going to cabinet. That is one of the failures, the decays, that have been occurring within this government in the last two years.

I want to go to a couple of examples to highlight this government’s decaying financial management supervision and discipline. Labor today touched on one example in question time—the recent water policy announcement by the Prime Minister, which is worth $10 billion over 10 years, or $1 billion a year. What should occur is that the detailed policy proposals in a policy announcement should be thoroughly examined by the Department of Finance and Administration. Once these policy proposals were brought together by the Prime Minister, as is his prerogative, there should have been adequate time for the department of finance to examine these specific policy proposals. What happened? A one-page brief on a $10 billion policy was provided to the department of finance 2½ days prior to its announcement. That is not what Labor would regard as a rigorous and proper financial examination of a policy announcement—and nor would the Liberal government until a few years ago—particularly for a policy that is worth $1 billion a year and $10 billion in total.

Secondly, this billion-dollar expenditure did not even go to cabinet in the normal way, whereby other ministers could discuss the proposal and contest it or argue about its merits. At the heart of the Westminster democratic system is collective cabinet decision making—and then later decision making by the parliamentary party and by the parliament itself—not prime ministerial decrees on $10 billion expenditures. We had the extraordinary contrast of a $250,000 carriage for Her Majesty the Queen—

Senator Mason—Hear, hear!

Senator Sherry—Hear, hear to you! But at least this proposal—$250,000 for a
carriage; gold, gilt and all the rest of it—did go to cabinet. It was sent to the department of finance for a rigorous costing. We do not complain about the process in this case, but a $10 billion water package did not even make it to cabinet. By the time it got to the department of finance, the finance officials—you could see on their faces that they were appalled—were expected to cost a $10 billion water package, detailed on one page, in less than three days, in just over 2½ days. Of course, they could not do that; all they could do was give it a cursory glance—a $10 billion program of expenditure!

This is the latest major example of the Prime Minister cobbling together policy at the last minute and not subjecting it to the appropriate processes, the government’s own processes laid down in its Cabinet Handbook and in the Charter of Budget Honesty. This is not small change. We then had the incredible explanation. I think the minister for finance attempted to explain it today. He was attempting irony at estimates when he somewhat frivolously said, ‘It’s only a billion dollars a year.’ He was trying to be ironic, but these are substantial amounts of public money. Minister Minchin, who is supposed to be the key guardian holding the government internally to accountability on expenditures, just said: ‘Oh, well, it’s small change. What’s a billion dollars here or a billion dollars there? It doesn’t really matter. The Prime Minister can do what he likes.’ So you had the Prime Minister, on the one hand, cobbling together policies without proper costing and proper consideration and you had the minister for finance failing to hold him accountable, as he is required to do internally within the government.

This is not the only example of where this has happened in recent times. As I said, it is particularly becoming the case in the lead-up to elections. We had the announcement of what is known as the mature age worker tax offset during the last election campaign—another billion-dollar giveaway by the Prime Minister, Mr Howard. When he announced this program, the cost of it was just over $1 billion. What happened after the election was that, before this policy was implemented, the government had it recosted. The cost blew out to $1.4 billion, so before it is even implemented there is a $400 billion blow-out in another cobbled-together election promise by the Prime Minister—

Senator Colbeck—$400 billion?
Senator Joyce—Yes, $400 billion?
Senator Sherry—It is $400 million.

What we do not know to this day is what the cost is to date. Compounding this lack of financial accountability is that when you ask, ‘What is the up-to-date cost of these inadequately costed programs that the Prime Minister has been announcing?’ the department will not tell you, even though they know the information. I don’t criticise the public servants, because the minister of the day says, ‘Don’t disclose publicly what the cost of these programs is running at; keep it hidden,’ because if they make a mistake they do not want the world—the public or the parliament—to see what the level of the mistake is.

We have seen this in other areas. We had the announcement of a utilities allowance. That was another billion-dollar cost. I do not complain about the program itself—but can we find out what that program has cost to date? We were advised it was well over $1 billion. Senator Mason, who is in the chamber, goes to estimates with me. He smiles; he knows what goes on at estimates when his minister is on the other side of the table. They have told the public servants: ‘Don’t let the Labor Party know the cost overruns on these programs. It could be very embarrassing.’ He knows what goes on. It is not that the departments—in particular, the depart-
ment of finance—do not know when a program has got a cost overrun of hundreds of millions of dollars. They do know. The government do not want it out on the public record, because it would highlight this lack of rigorous financial assessment and process, the decline in standards, the decay in this area of financial management by this government.

Let me give you another one. We have had the recent package of superannuation bills, which passed through the parliament with Labor support. They were announced in the budget—$6.2 billion. But when we asked the minister and the department—and I do not blame the public servants, who knew the cost; I could tell from their smiles—'What is the cost to tax revenue of these particular measures within the budget announcement of $6.2 billion?' they refused—(Time expired)

Senator MASON (Queensland) (4.13 pm)—When I received the standing order 75 notice as to a matter of public importance and noted Senator Sherry citing 'the weak financial discipline of the Howard government', I thought that Senator Sherry had all of a sudden become very courageous or desperate—or perhaps both. It reminds me of an episode of The West Wing that I saw the other day. There was a political adviser talking about the forthcoming presidential election. He said: ‘Left-wing and centre left parties should always talk about health, education, welfare and the environment. Conservative political parties should always talk about national security and the economy. When centre left parties start talking about economics, financial rectitude and financial discipline, they are either very desperate or’—in Australia we might say they are becoming rather full of themselves. That confidence, moreover, is not borne out by the record or by the history of the Australian Labor Party—and that really is the point of the debate here this afternoon.

More times than I can remember since I have been in this place, we on this side of the chamber have recited the history of Labor’s last effort in government. You will recall, Mr Acting Deputy President Lightfoot, the $96 million budget blow-out—the Beazley black hole. You will recall that the interest rate on that deficit alone ran into the billions of dollars per year. You will also recall the 17 per cent interest rate under the Hawke-Keating Labor government, the 10 per cent unemployment rate, the high inflation and the septic economic performance of the Australian Labor Party by 1996—worse than septic; it was also dishonest because they did not tell the Australian people the full story of their mismanagement.

Without labouring that point too much, I think that Mr Rudd is increasingly becoming a very worthwhile heir to that appalling legacy of financial promiscuity and fiscal profligacy. Mr Rudd wants to be all things to all people—just like the government in the Hawke-Keating years. Recently, Mr Rudd went to Queensland and promised $408 million for the Western Corridor Recycled Water Scheme. Then he went to Perth and promised $30 million for various water projects there. I have also heard that he promised to hand out $100 million in resource royalties to the scandal-plagued Western Australian government. In Adelaide, he promised $160 million for the Spencer Gulf desalination plant. In Canberra, he promised a $500 million clean coal fund and $25 million more for the CSIRO. In Townsville, he promised $95 million for a road project. In Sydney, he promised money for a Penrith fast rail project and other Sydney infrastructure. Mr Rudd believes that he can go around Australia and just throw money hither and thither and that will buy votes. He is like Tintin on a binge. He does not seem to get that, in the end, it is Australian taxpayers who pay for the binge. The history of the Labor Party when it was
last in government was appalling, and Mr Rudd is picking up that great legacy very well.

I have spoken about the history of the Labor Party and I have spoken about Mr Rudd, but what about state Labor governments at the moment—in other words, Labor governments that are in power? What is their economic legacy? What are they doing? What is their performance like? Of course, it is appalling. The coalition government is in net surplus—and I will say more about that in a minute—but the incompetent state Labor governments in every state have run up an effective cash deficit of $50 billion. My friend and colleague Senator Fierravanti-Wells will be saying a little bit more about this. State Labor governments have in unison and collectively cobbled together $50 billion in deficit. That is at the same time as there are record GST payments being made to them. God knows what it would be like without those GST payments. I hate to think what it would be like. They would not only be in deficit; they would be in penury, as would the people of those states.

We had a shocking history in the Hawke-Keating years, we have Mr Rudd running around spending money like a drunken sailor and, finally, we have state Labor governments with economic policies and an economic record that are atrocious, with a collective $50 billion deficit. How does that compare with the coalition? We have no net debt—none. There was $96 billion, but we have paid it off. We did not get much credit for it. In fact, I seem to recall that every time we tried to bring in savings measures, we were opposed by the Labor Party, the Greens and the Democrats. If we had adopted their approach to economic management we would still be in deficit. But we are not. Fortunately, we have a coalition government and we are in net savings at the moment and doing very well.

Interest rates are relatively low. That has spurred homeownership and jobs and economic growth. Ordinary Australians can afford to buy homes with confidence because interest rates have remained low. Inflation remains low. What does that enable? It enables businesses to invest with confidence. When businesses invest with confidence, they employ more people—the very people the Labor Party say they look after and stand for. They say that they are their guardians. In fact, the economic growth under the coalition over the last 11 years has delivered very low inflation and an unemployment rate that is the lowest in 30 years. Most importantly, that means that the most vulnerable Australians, those who want jobs, now have jobs. That is not because of the Labor Party; it is because of the coalition’s economic management. There are international comparisons I could make. Over the last few years there has been a huge rise in GNP per capita. Wealth in this country has grown by 50 per cent in the last 10 years. Again, that is no thanks to the opposition. There has been huge growth in wealth in this country, great investment growth and great jobs growth.

There is a saying in parliament: ‘A million here, a million there, and pretty soon you are talking about real money.’ Mr Rudd may think he has some sort of Midas touch, but the Labor Party has no such gift. The economic record of the ALP clearly demonstrates a talent for producing not gold but a rather smellier product. The Leader of the Opposition is on a bender. He is on a spending spree that is clearly designed to purchase the next election. But the money that the member for Griffith is so cavalierly throwing around the community rightly belongs to other people. It belongs to the people who have earned it. It belongs to the taxpayers of this country. The hundreds of millions that his own party leader is splurging, albeit in theory, puts the lie to Senator Sherry’s claim
to, and appeal for, fiscal discipline. In the words of Shakespeare, my colleague from Tasmania ‘doth protest too much, methinks’.

What we have here is nothing more than a transparent attempt to score very cheap political points. The Australian Labor Party is trying to have it both ways. Senator Sherry talks the talk of economic responsibility, but at the same time his party leader walks the walk of a big budget blow-out. Let us not forget, the only thing standing between the member for Griffith and the Treasury of this country is the ballot box.

The ancient Roman god Janus was portrayed as a figure with two faces, each pointing in the opposite direction. For this reason the term ‘Janus faced’ came to signify hypocrisy. I am confident that the Australian people will see through the Janus faced economic platform of the Australian Labor Party. With an appalling legacy under the Hawke and Keating Labor governments, with the profligacy of Mr Rudd over the last couple of months and the absolutely appalling display from state Labor premiers, and with a $50 billion deficit in total among the state Labor governments, there is no hope for the Labor Party if they ever get hold of the Treasury benches of this country—indeed, there is no hope for the people of this country.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.23 pm)—The problem with the submissions from both the parties here is that they have narrowed their view to who is best in terms of announcing programs and then carrying them through, counting dollar returns. But we live in a world where social and environmental effects have to be taken into account, where there should be triple bottom line accounting and not single bottom line accounting.

Let me give an example of that. We now have predictions that by mid-century the Great Barrier Reef is likely to be 95 per cent dead. With it will go 33,000 jobs and billions of dollars of tourism income. There is no accounting for that in the failure of government policy and programs which is occurring at the moment and contributing to that outcome. By that I refer to the indictable history of the Howard government in neglecting its policies which have not only not addressed climate change—and therefore the direct impact on the Great Barrier Reef, which is coming down the line—but worsened it. This is the government that refused to ratify the Kyoto protocol. This is the government which has put huge amounts of taxpayers’ dollars, hundreds of millions, into the coal industry in pursuit of technologies—which are far from being proven and which even the industry says will not be available for a decade or more—while it continues to foster the burning of coal, the expansion of coal mines and the export of coal. Australia is the world’s biggest coal exporter and we contribute two per cent to the global warming problem through greenhouse gas emissions each year.

Nicholas Stern, the former chief economist of the World Bank, brought out that startling report last year which says that climate change is in effect the biggest market failure in human history. But here we have a government and an opposition which are not prepared to address that market failure. They want to continue to promote Australia as the biggest exporter of coal in an age when we do not have technologies which do anything other than convert that coal into a massive, million-tonne pollutant of the earth’s atmosphere, leading to an enormous economic, social and environmental deficit for the next generation and the generation after that. There is a total failure to account, outside narrow economic confines, for the impost on
coming generations. If you look at the Stern report figures, just that two per cent of coal being exported out of this country converts to something like $186 billion damage per annum—

Senator Joyce—So close down the coal industry!

Senator BOB BROWN—economies at the end of the century. We have a senator opposite interjecting. What the Greens are saying is: let us plan for an end to this pollution of the atmosphere.

Government senators interjecting—

Senator BOB BROWN—It is not a matter of closing it down; it is a plan for conversion away from that problem. The Prime Minister and the Leader of the Opposition say, ‘We will not plan for that.’ This unites the government and the opposition very rapidly. That is the problem: they will not look at it.

Senator Joyce—Jobs?

Senator BOB BROWN—Senator Joyce opposite says, ‘Jobs.’ What is he going to do about the 33,000 jobs on the Great Barrier Reef? Where is his program for ameliorating this massive assault on one of the great wonders of the world with all the jobs that are consequent on that? He has no answer. All he wants to do is to continue to fire the problem.

One of the great problems here is the failure of the democratic system. Yes, $10 billion was announced by the government recently without even reference to cabinet. It is not only a failure of triple bottom line accounting; it is a failure of proper vetting by the democratic system. This government is making its decisions in the Prime Minister’s office—massive decisions which are muddle-headed and not thought through—without reference to the cabinet, without reference to the House of Representatives and without reference to the Senate. We would be getting far better outcomes if this parliament were treated as the centre of democracy and review that it once was before this government got the numbers to treat both houses of parliament as a rubber stamp. (Time expired)

Senator CONROY (Victoria) (4.28 pm)—I rise today to speak on this matter of public importance—the increasing lack of financial discipline being shown by the Howard government. The fundamental obligations of government, national security and economic management, require sober and diligent toil. They require government to be constantly vigilant in its responsibilities to the electorate. Australian taxpayers demand that their government be constantly watchful of the efficiency and effectiveness of government spending. Not only is this an economic imperative—wasteful government spending can only fuel inflation, driving up interest rates; it is also a moral imperative. The money that ministers spend on government programs is not their own. It is taxpayers’ money, which needs to be spent with the utmost care and attention.

Unfortunately, in recent times the Howard government has been complacent about its responsibility for financial management. In recent times, the Howard government has frequently betrayed its obligations to manage taxpayers’ money attentively and soberly. The most shocking example of this dereliction of duty in recent times is the shambolic process that led to the Prime Minister’s announcement of the government’s $10 billion water plan in January this year. Through the Senate estimates processes Labor was able to discover that the Department of Finance and Administration was told about this water plan late on the afternoon of Monday, 22 January, less than three days before its public announcement—that is right: just three days. Departmental secretary Ian Watt stated that the department of finance was only asked to
‘run an eye lightly over the costings’ of the package. Similarly, Treasury was not asked to prepare costings for this plan, nor was it asked to model the economic impact of the plan.

To top it all off, neither the Minister for Finance and Administration nor the Treasurer was able to fulfil their fiscal responsibilities with respect to this plan at the cabinet table, because the water plan was not taken to cabinet—$10 billion and it did not go to cabinet. I am not surprised, Senator Joyce, that the National Party have been up in arms behind the scenes. For all the minister for finance knew, the Prime Minister was running to save the Murray-Darling with a water bucket that was full of holes. Shoddy behaviour like this is how Third World countries run governments. It is how tin-pot dictatorships exercise financial control.

Government senators interjecting—

Senator CONROY—I will take that interjection. I want to make sure that both Senator Joyce and Senator Fierravanti-Wells get credit for that. It is how banana republics run their financial controls. Throw out the Cabinet Handbook; forget financial checks and balances; the Howard government can do just what it pleases.

And what was the minister for finance’s justification for this abandonment of good financial practice? What did the minister who is charged with ensuring taxpayers’ money is properly spent have to say about this kind of shoddy behaviour? I know he tried to justify himself in question time today, but let’s go back to what he said on the record. He told Senate estimates it was no big deal because it was ‘$1 billion a year, which is less than half a per cent of Commonwealth government expenditure’. It is just a billion dollars, he said; it does not have to go through those processes. According to the minister, unless a government program is worth more than $1 billion a year, it does not need financial scrutiny. What sort of banana republic is this government delivering to this country?

Of course, the Howard government’s decision to spend $350,000 on a gold- and jewel-encrusted stagecoach for the Queen was important enough to warrant cabinet consideration. I bet they were sitting there with their diagrams and little pretty pictures and models and having a big debate about the sort of jewel-encrusted carriage we were going to send the Queen—but a $10 billion package to save the river system in this country? No, that just gets the flick. That just gets pushed through without so much as a cabinet consideration. I suppose it was a special case! Talk about a government that has lost touch with reality. We have cabinet debates about royal coaches, and $10 billion expenditure programs do not even go to cabinet. And here comes the chief government apologist: Senator Ronaldson, I welcome you to the chamber. John Howard and Nick Minchin—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Mr Howard.

Senator CONROY—Thank you, Mr Acting Deputy President, I accept your admonishment. Mr Howard and Senator Minchin think that a gold-plated horse carriage for the Queen of England is more important than the proper management of $10 billion of taxpayers’ money. What would your mother say about that, Senator Ronaldson, if she were listening today? There was a cabinet discussion about the royal carriage, but, for a $10 billion program to save the river system in this country, nothing.

Maybe there was a time when Australia dropped everything to tug one’s forelock and swoon before the Queen. I thought most people would agree Australia got past that in the 1960s, but the living embodiment of that era is on the other side of this chamber. To-
day, Australians struggling to pay off mortgages are far more concerned about responsible economic management. Talk about a government that has got its financial responsibilities completely upside down. I have got a message for the minister for finance: the $1 billion per year that he so arrogantly dismissed is taxpayers’ money. It is money he has taken from working Australian families and he has an obligation to treat that money with the utmost respect. I would like to see the minister look a working family in the eye and tell them he does not need to watch over $1 billion worth of spending, tell them he does not need to carefully account for every cent that he spends of their hard-earned money.

If this kind of complacency and arrogance were just an isolated incident, it would be worrying enough. But, unfortunately, the water policy debacle is just one example of the government’s recent financial mismanagement. When you start totalling them up, the Howard government is starting to accumulate quite a tally of financial debacles. We have got the 2004 election promise to introduce a $50 billion mature-age worker tax offset. Fine—except for the fact that the cost of the program blew out by over $380 million before it was even introduced. We have got the grossly inaccurate costing of the government’s 30 per cent childcare rebate program. Then there is the utilities allowance, a program that the government has failed to publish updated costs for. Given recent history, we can only speculate on why the government is keeping mum about this program. Forget about the Charter of Budget Honesty; this government tallies up a few numbers on the back of an envelope and then announces billions of dollars of policies.

In my own portfolio area we just recently exposed that a $50 million metropolitan broadband black spot program had only actually issued $200,000 nearly 18 months since the announcement, and the cost of managing the program is over $1 million—to administer $200,000. It is a Commonwealth record, a gold medal performance. It is like that episode of Yes, Minister: it is a great hospital because there are no patients; it is running smoothly! The mob on the other side are running a $50 million program; in 18 months they have spent $200,000 and it has cost over $1 million to run so far. And they claim to be the party of economic management. No wonder that a few years down the track their costings are consistently out by hundreds of millions of dollars, because they are not doing the job, they do not want to do the job and they are not up to the job.

On top of that we have the Australian National Audit Office reporting that more than one-third of agencies administering government spending programs had no performance indicators to assess their effectiveness, quality or cost—no performance indicators.

(Time expired)

Senator FIERRAVANTI-WELLS (New South Wales) (4.38 pm)—We always welcome a debate with the Labor Party on financial management and, yet again, Senator Conroy, that was another entertaining performance from you. I would remind Senator Conroy that this is the same Labor Party that under Paul Keating gave us the ‘recession we had to have’, 17 per cent interest rates for homeowners and 22 per cent for business, and record unemployment. That is the record of the Labor Party in government. Labor’s idea of financial management was to leave a budget deficit of $10 billion and a whopping $96 billion net government debt. Sobriety, Senator Conroy? Labor spent like drunken sailors and you have the temerity to come in here and castigate us for a lack of sobriety.

I could go on—high inflation, 0.2 per cent real wages growth, downgrading of credit rating, twice; that is the appalling record of
Labor in government. So do not come in here and criticise us. Look at your own dismal failure. It was the coalition that had to fix the appalling mess that the Labor Party left, and then those opposite proceeded to oppose every substantial measure to return the budget to surplus and reduce debt. Now that we have returned the budget to surplus and eliminated Labor’s debt, the Labor Party come along here wanting to claim the current strong financial position as their starting point.

But let’s look at Labor’s actions rather than their words. This is a party whose leader has so edifyingly set out his economic views in an essay entitled ‘Howard’s brutopia’. This is the Labor Party whose members seek inspiration from none other than the President of Venezuela, Hugo Chavez. His ALP admirers in Australia have written an open letter to him, inviting him to come to Australia, which says:

We have watched developments in Venezuela with great interest. We have been impressed by the great effort that your government has taken to improve the living standards of the majority of Venezuelans.

Although we are on the opposite side of the globe we feel that our shared ideals of social justice and democracy bring us close together.

The Leader of the Opposition may be a Christian socialist by his own admission, but many of his backbench are Bolivarian socialists. What sort of influence will they have over economic policy in a future Labor government? The Treasurer was absolutely right when he told members in the other place:

We are entitled to know where this motley, ragtag left-wing crew would take this country if they ever got their hands on the levers of power and brought the Bolivarian dictator’s ideas for inspiration to Australia.

This motion accuses the government of weak financial discipline. This is sheer hypocrisy from the Labor Party. Senator Mason has given us examples of multimillion-dollar promises that the Leader of the Opposition has made wherever he goes. This is a man who indeed wants to be all things to all people. Wherever Mr Rudd goes, he tries to buy popularity by showering the local community with promises worth hundreds of millions of dollars—no details, no specifics. Talk about cobbled together! Senator Sherry accused us of cobbled policies together; well, this is cobbled in its best form. And those opposite have the temerity to criticise one of the most economically successful governments of our time.

If we want evidence of how Labor would manage federal finances, we need only look at the state Labor governments. The facts are these: while the federal government is running a $10 billion cash surplus this year, the states will run a combined cash deficit of $3 billion. This is despite the almost $40 billion of GST revenue—$40 billion that the states will get in 2006-2007—and this is expected to grow to almost $47 billion by 2009-10. While the federal government is running an $11 billion fiscal surplus, the states are running a combined fiscal deficit of $6 billion. When you add in state government businesses like water and power utilities—

Senator Wong—The GST is a state tax.

Senator FIERRAVANTI-WELLS—the cash deficit being run by the states this year rises to a staggering $14 billion.

Senator Wong interjecting—

Senator FIERRAVANTI-WELLS—No, Senator Wong, you don’t want to know what your state mates are doing, do you?

Senator Wong—You stated the GST is a state tax.

Senator FIERRAVANTI-WELLS—No, the states collectively will be borrowing this $14 billion on the markets this year—
The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order, Senator Wong! Senator Wong will come to order.

Senator FIERRAVANTI-WELLS—and over the next four years will borrow a total of $50 billion. While the federal government has eliminated net debt and is placing money in the Future Fund, the Labor states are out there running up debts of $50 billion. The borrowing binge is being led by New South Wales, which will borrow $6 billion this year; Queensland, which will borrow $4 billion; and Victoria, which will borrow $2 billion.

The question for the federal Labor Party is whether they support this borrowing binge by their ALP mates in the states. Do Labor senators opposite support the substantial cash and fiscal deficits being run by the states? Is this an example of sound financial management? If not, why doesn’t Labor condemn the deficits and heavy borrowings being undertaken by state Labor governments? For example, do Labor senators support the financial management of former Premier Carr and current Premier Iemma and of ministers Michael Costa, Frank Sartor and Joe Tripodi in New South Wales? New South Wales have doubled their general government sector net debt since the last election and on their own figures will double it again by the time of the election. This year the New South Wales government will run a $2.4 billion fiscal deficit and a $3 billion cash deficit.

Senator Joyce—How much?

Senator FIERRAVANTI-WELLS—A $2.4 billion fiscal deficit and a $3 billion cash deficit, Senator Joyce. The reason for this deficit is the fundamental problem that each year over the last five years spending has grown on average by one percentage point more than revenue. Any household knows this cannot continue indefinitely without ultimately resorting to borrowing.

New South Wales has gone from being the engine room of the Australian economy to the most underperforming of all the states. The latest growth figures in New South Wales of just 1.4 per cent are the lowest of all the states. It has amongst the highest unemployment of all the states. This is a state that has received record GST—$10 billion in 2007. It is a lot better off than it would have been without the Howard government’s tax reforms.

So why the low growth rate? As Tony Abbott wrote in the Sydney Morning Herald today, it is due to the New South Wales tax rate—the highest in the country. Labor has repealed the vendor tax and imposed 24 increased tax measures, 53 rises in government charges and nine fare increases. The New South Wales opposition leader is spot-on when he asks: ‘Where has all the money gone?’ This is financial mismanagement at its worst. This is Labor’s specialty. This is the record at federal and state level. So do not come into this place sanctimoniously preaching to us about financial management. With your history at state and federal level—

(Time expired)

Senator MURRAY (Western Australia) (4.46 pm)—Sometimes these debates remind me of debates when people say, ‘Your husband is ugly,’ and you then start debating how ugly the other person’s husband is. I think of our great Australian cricket team: if they can be criticised and asked to lift their game, so can the Howard government. Nobody should be immune from criticism. Having said that, I think some of the criticism is somewhat misplaced. There are four considerable items on this notice for debate, and I have only five minutes to deal with my views on them, so I doubt I will get through much more than item 1.

Under item 1, ‘the weak financial discipline of the Howard government and in par-
ticular the failure of the finance minister, Senator Minchin,’ the minister is criticised because:

The recent audit office report that found more than one third of agencies administering programmes had no performance indicators to address their effectiveness, quality or cost.

Frankly, I think that is unfair to Senator Minchin. His real problem is that he lacks power. He lacks the power to tell the portfolio ministers to put performance indicators against their programs. He lacks the authority to do that. The minister for finance exists in an advisory capacity in those matters; he cannot tell another minister or another agency, because of the devolved nature of the system, to put in performance indicators and other matters such as that, unless he is given that authority by the cabinet or it is specific to the powers that he has.

One of the things people do not appreciate enough about the public sector is that there is no regulator. The Australian National Audit Office is an auditor, not a regulator; the Department of Finance and Administration is not a regulator. Neither of those bodies can require ministers and their departments to provide such things as performance indicators. In the private sector we do have a regulator—the Australian Securities and Investments Commission. When you have a problem with, for instance, the public accounting or reporting in specific areas where ASIC has responsibility, the regulator is able to go to the company concerned and ask it to ensure that its market announcements are correct, that its share dealings are up to scratch if it is interacting with the ASX, or that the prospectus is true and fair in its pronouncements.

I have argued for a long time that, if any government wants to improve its ability to require the financial officers and the chief executives of government agencies to fulfil their remits, you need a Public Service regulator with the powers to do so. I have raised this issue over a number of years with the finance department. They understand what I am on about and are interested in the concept, but it is a very difficult one to get around because, in the end, it means that ministers and their chief executives will, to some extent, be under a system of enforcement and not under a system of sole responsibility.

I think that in many respects the finance minister and his department produce some superb guidelines, guidance notes and directions which are not capable of enforcement and are not internalised in the agencies’ culture. All the Audit Office can do is draw the government’s attention to them. I think that if there is a failing of the finance minister it is that he has failed to find a solution to this particular problem.

When you look at items 2, 3 and 4, which refer to cost blow-outs, lack of public disclosure and not being properly approved by cabinet, the responsibility for those rests with the chief executive. It is ultimately Mr Howard’s responsibility to ensure that his government does not fall into those failings. If there is criticism to be raised by the Labor Party with this motion, it has to be directed primarily at the Prime Minister for these shortcomings and not at the finance minister. In the end, blaming the finance minister would be equivalent to ASIC—(Time expired)

Senator RONALDSON (Victoria) (4.52 pm)—When the whip rang today and said the Labor Party had a matter of public importance on the weak financial discipline of the Howard government, I giggled and said, ‘Come on, what’s it really about?’ She said, ‘No, I’m quite serious.’ There is almost something lovable about the Labor Party when they talk about financial matters. You
feel as though you want to go across and give them a bit of a cuddle and make them feel better, because for them to talk about weak financial management is a bit like the bank robber rolling up to chair a Neighbourhood Watch meeting, isn’t it? It is just beyond belief that they are prepared to talk about it.

_Senator Joyce interjecting—_

_Senator RONALDSON—Yes, that is right. A lot of my colleagues have spoken and given the chamber a lot of facts and figures and I fully endorse all of that. But I find it interesting that they have plucked out the $10 billion Murray-Darling Basin funding; that is apparently the cause of some financial concern. Just so I am absolutely sure, is this the same package that all the states bar Victoria have signed up to? Is it the same one?_

_Senator Joyce—I think it is._

_Senator RONALDSON—Yes. So presumably, the states are all in agreement with the bona fides of this package, but the federal Labor Party is not, which really does beggar belief. For a party that has learned absolutely nothing in the last 11 years and that left this country with a debt of $96 billion on the credit card, with a budget deficit in its last year of $10 billion, to come in here and lecture this government about weak financial discipline is quite utterly bizarre.

There will not be one person listening to this debate who believes a single word of it. You know what they do not believe? They do not believe you have changed. That is the first thing they do not believe. The problem the members of the Australian Labor Party have is that your new leader has committed himself to the principles of weak financial management by his enthusiastic embrace of the way his state colleagues are managing their economies. On the public record, he has talked about the way he supports their management of their states. This is the man who Senator Fierravanti-Wells said has been going around Australia spending money like a drunken sailor.

I thought it might be of interest to the chamber—I thought it would be worth while—to go through some of the facts and figures about how good these states, which Mr Rudd is so spectacularly supportive of, are, and why everyone listening to this debate today would be deeply concerned about Mr Rudd setting the benchmark because he has tied himself to those state governments in his public commentary about the way they are operating. I will just go through some material. Between 2000-01 and 2004-05 state Labor governments have consistently blown their forecast spending. Across all the states and territories during this period, extra recurrent spending has exceeded forecasts by more than 13 per cent. In New South Wales, that spending exceeded the forecast by 14.8 per cent. In Victoria, it exceeded it by 13.3 per cent; in Queensland, by a massive 19 per cent; in Western Australia, by 12.6 per cent; in South Australia, by 12 per cent; in Tasmania, by an almost unbelievable 31.6 per cent; in the Northern Territory, by 15.7 per cent; and in the ACT, by 21.4 per cent. So, in every state and territory around Australia, the Australian Labor Party has shown its economic credentials when it comes to managing spending. This is the same group of people who are supported by the Leader of the Opposition, Mr Rudd, who he says are good financial managers and who he has publicly supported as examples of the way the financial management of this country should be run.

To make it worse, state and territory governments have blown their own forecasts over five years by more than 13 per cent, the equivalent of $66 billion. So, if you want an indication of what Mr Rudd’s benchmark is, you need look no further than the state and territory governments, because they are the
ones that he is holding up as the shining lights of financial management in this country. For no better example of weak financial discipline, look at those figures.

In the short time left to me, I actually want to have a chat about the Audit Office—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Don’t chat for too long, Senator Ronaldson; you have 30 seconds.

Senator RONALDSON—Thank you very much, Mr Acting Deputy President. It is entirely appropriate that the Audit Office should investigate the application of the framework we put in place eight years ago, where we shifted the emphasis on budgeting and financial reporting away from an exclusive focus on dollar inputs to place more emphasis on outcomes—what has actually been achieved for the money—and we did that. The Audit Office is quite rightly looking at the success of that, but what we should be told is—(Time expired)

The ACTING DEPUTY PRESIDENT—Order! The time for this discussion has expired.

COMMITTEES
Australian Crime Commission Committee Report

Senator IAN MACDONALD (Queensland) (4.59 pm)—I present the report of the Parliamentary Joint Committee on the Australian Crime Commission entitled Inquiry into the manufacture, importation and use of amphetamines and other synthetic drugs (AOSD) in Australia, together with the Hansard record of proceedings and documents presented to the committee, and I move that the report be printed.

Ordered that the report be printed.

Senator IAN MACDONALD—I move:

That the Senate take note of the report.

At the outset of tabling this report I want to congratulate the Howard government and indeed the parliament—as I understand drugs policy is relatively bipartisan—on the work the Australian government has done to stop the importation and use of illicit drugs, particularly amphetamines and other synthetic drugs. The Tough on Drugs policy is a strategy which has been vigorously pursued and it demonstrates not only the government’s but the community’s aversion to illicit drugs.

I want to particularly place on record the great work that the Australian Customs Service, the Australian Federal Police and the Australian Crime Commission do in protecting Australians from the scourge of illicit drugs. I ask the Minister for Justice and Customs to pass on to those agencies my congratulations, and I am confident in doing this that I speak on behalf of all members of the committee.

Recognition should also be made of the work the state and territory police forces do, many times in difficult circumstances because of the stupidity of state boundaries and different laws in different states—but more about that later. Across the board we were considerably assisted by the evidence, experience and plans of the state law enforcement agencies. I thank them for their contribution not only to the report but also in the part they play in helping to protect Australians from organised crime and illicit drugs. So many other Commonwealth and state government agencies do mighty work in trying to address the problems arising from drug consumption in Australia; I also thank them for what they do and for the assistance they gave to the committee.

But, whilst governments do everything in their power to reduce supply and demand, it is a very sad but unfortunately true fact that we are losing the fight against the consumption of illicit drugs. Australia has the highest
consumption of ecstasy per head of population in the world—3.4 per cent of the population, according to the United Nations Office on Drugs and Crime.

Just last weekend—and indeed every weekend, according to evidence given to us by the Victorian police service—some 100,000 pills of synthetic drugs are consumed by Australians. AOSD users cut across all sectors of society and come from a variety of backgrounds. Users may range from well-educated professionals who, for example, use ecstasy and methamphetamine at dance parties, through to marginalised injecting drug users who use methamphetamine and/or cocaine.

In many cases illicit drug consumption leads to downstream impacts that destroy lives and personal relationships and become a huge burden on the health systems of the nation. Mental disease and disorders, long-term and sustained illnesses and even death are results of the taking of amphetamines and other synthetic drugs. The rise in methamphetamine use, particularly regular use in its purer forms, bse and ice, has been linked to an increase in mental illness in users. Common problems include increased aggression, agitation, depression and symptoms of psychosis. The Families and Friends for Drug Law Reform submission quoted work by McKetin and others which estimates:

... the prevalence of psychosis among regular methamphetamine users was 11 times higher than that seen in the general population.

Whilst the majority of AOSD in Australia are imported, recent seizures of precursor chemicals and detections of clandestine laboratories show that domestic manufacture of amphetamines and other synthetic drugs is increasing in Australia. Detections of clandestine laboratories by law enforcement agencies have increased significantly, rising from 58 in 1996-97 to 381 in 2004-05.

The committee heard evidence of significant organised crime involvement in the importation, domestic manufacture and distribution of AOSD, particularly methamphetamine and MDMA, in Australia. Production of AOSD appears to be presently concentrated in New South Wales, Victoria and Queensland. The manufacture and distribution of AOSD by organised criminal groups and opportunistic producers involves business ventures motivated by significant financial gains.

The committee acknowledges that tension exists around the harm reduction and demand reduction potential of pill-testing programs. There are concerns that such schemes equate to condoning drug taking, could expose pill-testing authorities or practitioners to civil or criminal liability and could endanger users of such services. Whilst the committee acknowledges that pill-testing proponents are well intentioned, a majority of the committee considered that such programs have yet to overcome these legitimate and serious concerns.

I should mention, however, on a personal note, that I was impressed by the sincerity of Dr Caldicott and his team and the work he does. Again, on a personal basis, I am a bit torn between what I have seen with respect to the use of those pill-testing programs and the difficulties which I mentioned earlier, which still have to be overcome. Because of those differing views about the benefits of harm minimisation, the report contains no deliberative recommendations in relation to harm minimisation, apart from recommendation 7, which states:

The Committee recommends that the Victorian feasibility study for an illicit tablet monitoring and information service be monitored and, as appropriate, the outcomes independently evaluated by the appropriate Commonwealth government agency.

The committee also recommended:
… in the execution of the National Drug Strategy, harm-reduction strategies and programs receive more attention and resources.

The committee believes it is critical that adequate funds be made available to research the long-term effects of these drugs and to provide adequate treatment and assistance for mental and physical health problems that arise from AOSD use. The committee also considers that such funding should be available for support for the families of users.

An enormous amount of work was done by government agencies, and I know that the Minister for Justice and Customs will continue to do all that is humanly possible to prevent illicit drug consumption by Australians. Strategies to address precursor drugs not only in Australia but overseas are innovative and useful. Any number of private agencies, including the Pharmacy Guild and the Real Estate Institute of Western Australia, have programs in place that do substantially contribute to the detection and reduction of the supply of amphetamines and other synthetic drugs. Indeed, the committee’s recommendation 12 asks the Commonwealth government, in collaboration with state and territory governments and pharmacists, to continue to implement Project STOP nationally.

The effectiveness of drug education programs is dependent on how information is presented. Some submitters were critical of the role the media played, accusing the media of scaremongering. There were also concerns raised about the media’s use of the term ‘party drug’ and the name ‘ecstasy’ for MDMA. The use of such terms reinforces particular positive social expectations or impressions and thereby undermines, to a degree, the efforts of health, education and law enforcement sectors.

There were a number of recommendations in relation to public education and demand-reduction campaigns. After the hearing, it is my belief that young people at the coalface are not closely enough involved in strategies to address the impacts and consequences of illegal drug taking. I place on record my appreciation to those young people who did, directly and indirectly and often anonymously, provide information to the committee. I particularly want to thank the then Triple J drivetime producer and announcer Steve Cannane for the help he gave in arranging a three-quarter hour Triple J talkback session on drugs, which I and the committee found very useful in trying to understand views of consumers and young people.

One of the recommendations related to the need for the ACC to be well funded to discharge its responsibilities. There were a number of other recommendations which related to the difficulty in Australia faced by law enforcement and other agencies dealing with nine different legislative and government jurisdictions. This is just crazy in a country like Australia. There are a number of recommendations calling for greater coordination of state and federal laws and approaches to drug offences.

I thank the Australian Crime Commission and its executive director, Mr Milroy, for the assistance they gave to the committee during its inquiry. Particularly, I want to place on record the indebtedness of the committee and indeed all Australians to the work done by the committee secretariat, in particular our research advisers Anne O’Connell and Ivan Powell, the committee secretary, Dr Jacque Dewar, and the administrative officer Jill Manning.

The compilation of this report and the investigations that went into it involved committee members and the secretariat in a lot of travel and a lot of work. I acknowledge that members of the committee have made an outstanding effort in attending hearings and
in contributing to the final report. Many of them have other electoral and parliamentary commitments which they were able to juggle to contribute to the outcome of this investigation. I want to place on record my thanks to colleagues on the committee, in particular the deputy chairman, the Hon. Duncan Kerr SC MP, and the members, namely Senators Ferris, Polly, Ludwig and Bartlett (Extension of time granted) and Ms Gash, and two former policemen and members of parliament, Kim Richardson and Jason Wood, whose contribution was particularly useful because they knew what they were talking about in many instances. Also I should mention Chris Hayes, a member of our committee who was involved with the Police Federation of Australia and New Zealand prior to his entry into parliament. His contribution was also very learned and well received.

I commend the report to the Senate and I urge the government to seriously consider each and every one of the recommendations and, as appropriate, to implement those recommendations for the benefit of Australians in the future.

Senator BARTLETT (Queensland) (5.11 pm)—I rise to speak to the report of the Parliamentary Joint Committee on the Australian Crime Commission entitled Inquiry into the manufacture, importation and use of amphetamines and other synthetic drugs (AOSD) in Australia. This report is very timely. I have only recently joined the committee and so was not able to participate in the hearings, but as the report was in draft form, I looked back through the transcripts and submissions. It is obviously an important topic. How best we deal with the social and personal harm, and indeed the economic harm, caused by illicit drug use in Australia is a vexed question which many of us wrestle with. This report makes a valuable contribution. I emphasise it is a unanimous report by 10 members from both the Senate and the House of Representatives from across a range of political parties and personal views relating to illicit drugs. That is why the report as a whole may not reflect each individual person’s view in a precise form but the fact that such a diverse range of people could come up with a unanimous report that makes some important recommendations gives it extra weight.

The recommendation around pill testing to which Senator Ian Macdonald drew attention, recommendation 7, is important. As the chair of the committee, Senator Ian Macdonald, indicated, a number of members of the committee are not yet convinced that such programs would work, given some of the hurdles in the way, but the recommendation that was adopted is that we should monitor any work in this area and assess the evidence. Frankly, I think that is the best approach. I have a view that pill testing offers some good potential but the evidence provided to the report throws up some potential risks as well. We cannot just naturally assume that this is a perfect approach, that this will work; that everybody who is against it is just a fuddy-duddy or a moralist. We have to accept that it does have potential problems built into it. The only way to find out is to monitor how it works, if it is implemented. Certainly there are feasibility studies around this in Victoria. It is very important that the committee adopt a unanimous recommendation that the progress of that study be monitored and the outcomes independently evaluated. We should all take on face value whatever evidence comes out of an activity like that and other ones.

While I do not condone illicit drug use, it is necessary for all of us to accept that the use of such substances is widespread in our society. There are many reasons why people engage in that behaviour. A lot of them are quite understandable and based on the fact that we are human beings and human beings
seek out experiences like that. I endorse harm minimisation as a key guiding principle for drug policy. I very much welcome the recommendation in this report that harm reduction strategies and programs receive more attention and resources as part of the National Drug Strategy. Sometimes the slogan of harm minimisation is put up in opposition to law enforcement. I do not think they necessarily have to be seen as parallel opposites. It is a matter of different areas of emphasis, I believe.

One of the valuable aspects of the process of this inquiry, as Senator Ian Macdonald mentioned, was that it did have some input from people in the community who are in the scene, who are drug users, past drug users or know people who are drug users, who were able to give straight information to the committee. I note a very valuable recommendation made in the report—that future public education and demand reduction campaigns seek further input from young people and take account of user experiences. There is no point in a bunch of people like us, who, by and large, do not have a lot of contact with that part of our society, coming up with lots of ideas about what is going to work for people who are users or past users, or are involved or know people involved in that area. We need to hear from people themselves, and they need to be able to be confident in providing that information without thinking that they will get a moral lecture or, indeed, put themselves at some sort of legal risk. Unless we listen to the people who are actually using these substances, we are not going to have a terribly good idea of how to make them more aware of some of the risks and also make ourselves more aware of what types of campaigns may work.

The fact that Senator Ian Macdonald participated in a session on Triple J was particularly valuable. Frankly, I believe we need to be looking at doing more of that sort of thing. Accurate and credible information is an essential aspect of harm minimisation. Overblown scare campaigns, big moralising lectures and major headlines creating moral panic are not going to work. I suspect that, in many cases, they will create a bigger problem. We need to have accurate and credible information and treat this as a health issue, not just a law enforcement issue or some sort of moral issue. People across society make all sorts of personal judgements about what legal drugs they use and do not use. I think we could do with a lot more accurate information about the potential risks of those as well.

Accurate information is essential not only to the appropriate targeting of efforts, but also it raises public confidence. I believe that policies and practices based on emphasising harm minimisation will reduce drug related harm both to individuals and to the wider community. Whilst recognising that in most respects ultimate harm minimisation is the avoidance of illicit drugs, an understanding of the risks associated with drug use allows people to make informed choices while taking into account the genuine risks associated with drug use, which do vary from circumstance to circumstance, from person to person and from substance to substance.

A lack of information or distorted information hinders people’s ability to take responsibility for their choices or to engage in safer practices. That also includes providing accurate information about the harmfulness of substances. Just as I think it is counterproductive to run huge scare campaigns to the effect that going anywhere within 100 miles of a certain substance will lead to certain death, I also think it is counterproductive and potentially dangerous to say that certain substances are completely safe. Anything that creates a false impression that using certain substances is safe is potentially just as dangerous and just as risky as going to the alter-
native extreme. In order for messages to be credible with drug users and potential drug users, with younger people, and, frankly, with older people who use a range of synthetic drugs, it is essential that risks are acknowledged accurately. Plenty of people engage in risk-taking behaviour that falls within the legal part of the drug use spectrum or, indeed, other activities as well. That includes taking into account the variation in risk associated with different substances.

Misinformation is always the enemy. Not all information is good information. Whether it is exaggeration or underestimation of the potentials of drug use, it undermines attempts to educate the community about drug related risks. I believe that the quite sizeable usage of amphetamines and other synthetic drug use in Australia—and Senator Macdonald outlined just how large the usage is—is not going to be curbed just by having some sort of zero tolerance approach or a prohibitionist approach. Successfully altering behaviours and reducing the negative impact on drug users and society as a whole can best be achieved through a genuine harm minimisation approach that ensures the availability of accurate and unbiased information, coupled with strategies that increase the prospect that illicit drug use that does occur is as safe as possible.

Just a week or so ago, we saw reports of the tragic death of a young person who took some sort of drug. I am not even sure if the actual composition of that substance has been determined yet. I am sure some people will use that situation to again call for pill testing so that people who are going to take drugs actually know what it is they are putting into their system. Whilst there is some attractiveness to that proposition—and I still am attracted to it—I would point out that evidence given to the inquiry outlined some potential hurdles. It is not perhaps as straightforward a proposition as it might seem. But I do believe that we need to explore all options further. I think we owe it to our society and to people in the community. We need to do so on the basis of the evidence and look at it as open-mindedly as possible. I think this report does that. As I said, it is a unanimous one, and I join with Senator Macdonald in urging the government to take those recommendations seriously and to respond promptly. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Scrutiny of Bills Committee Report


Ordered that the report be printed.

Senator WEBBER—I move:

That the Senate take note of the report.

I seek leave to incorporate Senator Ray’s tabling statement in Hansard.

Leave granted.

The statement read as follows—

Since its establishment the committee has consistently drawn the Senate’s attention to legislation which allows significant and wide-ranging powers to be delegated to a poorly defined or broad range of people. The committee’s expectation is that the delegation of powers should be limited in some way, by either restricting the class of person to whom the powers or functions can be delegated or by limiting the range of powers and functions which can be delegated.

Where there are valid reasons for broad delegations, these reasons should be clearly articulated in the explanatory memorandum to the bill. The Committee was pleased to note that two of the bills considered in Alert Digest No 2 of 2007 did just that.
The Offshore Petroleum Amendment (Greater Sunrise) Bill 2007, provides for the wide delegation of functions and powers to a member of the Senior Executive Service in the Australian Public Service or ‘an employee of a State or the Northern Territory’. The explanatory memorandum explains that, due to the different rank profiles in the State and Northern Territory public services, the bill could not be more specific regarding the class of public servant in these jurisdictions to whom powers may be delegated.

Similarly, the explanatory memorandum to the Aged Care Amendment (Security and Protection) Bill 2007 recognises the need, normally, to limit the power to delegate to certain functions or to certain people, but provides reasons why this was not appropriate in this instance. In addition, the bill includes a provision requiring the Aged Care Commissioner, in exercising his or her powers to delegate, to ‘have regard to the functions to be performed by the delegate and the responsibilities of the Australian Public Service employee to whom the function is to be delegated’.

Regrettably, not all of the Bills considered by the Committee addressed this issue effectively. The Human Services (Enhanced Service Delivery) Bill 2007, for example, provides for the delegation of wide ranging powers and functions to a large group of people, with few limits on the type or nature of the powers and functions which may be delegated. The Committee draws this matter to the attention of senators.

On behalf of the Committee I would also like to thank the Minister for Justice and Customs for implementing his promised amendments to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, to change a number of offences in the bill from absolute criminal liability to strict liability. The Minister’s commitment to make these changes was recorded in the Committee’s Thirteenth Report of 2006.

Finally on behalf of all Committee members, I would like to thank the outgoing Committee Secretary, Ms Jeanette Radcliffe, for her hard work and dedication to the Committee over the last 12 months. Jeanette has made a significant contribution to the Committee and will be sorely missed. The Committee wishes her well in her new position as Secretary of the Rural and Regional Affairs and Transport Committee.

Community Affairs Committee Report

Senator PATTERSON (Victoria) (5.22 pm)—On behalf of the Chair of the Senate Standing Committee on Community Affairs, Senator Humphries, I present the report of the committee on the provisions of the Private Health Insurance Bill 2006 and six related bills, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Rural and Regional Affairs and Transport Committee Reports

Senator PATTERSON (Victoria) (5.23 pm)—At the request of the Chair of the Senate Standing Committee on Rural and Regional Affairs and Transport, Senator Heffernan, I present the report on the provisions of the Murray-Darling Basin Amendment Bill 2006, the report on the provisions of the Airspace Bill 2006 and related bill, and the report on the provisions of the Airports Amendment Bill 2006, together with Hansard records of proceedings and documents received by the committee.

Ordered that the reports be printed.

Senator WONG (South Australia) (5.23 pm)—I seek leave to move a motion in relation to the first report.

Leave granted.

Senator WONG—I move:

That the Senate take note of the report on the Murray-Darling Basin Amendment Bill 2006.

I want to briefly speak in relation to this bill. I acknowledge that we do not always speak in relation to reports on bills, but it is important that the Senate consider the report. This report is at least as interesting for its context as it is for its content. Whilst Labor is sup-
portive of the bill and supports the report’s recommendations, we are perplexed as to how this bill will fit in with the proposed Murray-Darling arrangements, given the Prime Minister’s announcement some weeks ago.

Whilst the bill is consistent with the current legislative and governance framework for the Murray-Darling Basin, it is entirely inconsistent with the proposals which are currently being worked through by the states and the Commonwealth. Frankly, you would have to be living under a rock to miss those developments. In fact, they have been the subject of debate in the chamber today. I note that the report does acknowledge that the Prime Minister’s water plan will impact on the bill. In reference to the 25 January plan announced by the Prime Minister, paragraph 1.9 of the report states:

If implemented, this is likely to impact upon the operation of the bill.

That is certainly an understatement. In fact, the Prime Minister’s plan is largely inconsistent with many aspects of the framework that this bill is giving effect to. It seems that the right hand of government is not aware of what the left hand is doing. Why is the government introducing a bill that is likely to be superseded by arrangements which the government has already announced and is likely to be superseded before it is even voted on?

This bill was introduced in December 2006 on the last day of the last sitting. It contains amendments which would have streamlined and improved the financial operation of the Murray-Darling Basin Commission. So it appears that until mid-December 2006 at least the Commonwealth was not planning to take over the Murray-Darling Basin. If people in government did envisage the direction of the 25 January statement then the introduction of the bill on 7 December 2006 would appear quite misleading.

It is concerning that, whilst plenty of effort went into the 2006 bill, no-one appears to have told the parliament or the Senate committee that alternative and largely inconsistent and contradictory plans were being hatched. It is clear from the evidence the Senate has been presented with through Senate estimates and other mechanisms that more effort went into the writing of the Prime Minister’s speech than into the governance, finance and timelines of the original national water plan. We have had some evidence of that discussed today. We know from previous discussions that Senator Minchin has confirmed that the $10 billion water plan was not even considered by cabinet and, as we will recall, the senator ironically justified this by describing the package as ‘only one billion a year, which is less than half a per cent of Commonwealth government expenditure—let’s keep it in perspective’. This is an interesting perspective for a finance minister.

There was no economic modelling by Treasury or Finance, and it has been reported and discussed in here on a number of occasions that the Department of Finance and Administration was asked only to run an eye lightly over the costings, which were contained in a single page. None of the national water commissioners were briefed until the morning of the speech and, importantly in the context of this bill, Ian Sinclair has stated that the Murray-Darling Basin Commission was not asked for advice. The state and territorial governments were given contrary advice at the time of the Melbourne Cup Day water summits, and finally we have the government introducing this bill, which assumes existing structures will remain intact and only proposes minor changes.

This bill really confirms that the Prime Minister’s announcement was not well planned. In fact the idea that the PM’s announcement was a well-planned and detailed
proposition is frankly a fantasy. Information from key government officials and concerns raised by the National Farmers Federation indicate the lack of detail in the Prime Minister’s water plan and this could mean that important water programs are delayed. Mr Arthur from the NFF has stated that it will take more than a year to nail down the detail of the water plan. We have previously discussed what happened in Senate estimates. This included some questioning of Dr James Horne, the head of the government’s task force, who prepared the water plan. He was asked by me whether it was correct that:

The government has done no modelling of any impact on employment, no assessment of the numbers of people who might have to exit the industry and has not costed any price for purchasing entitlement.

Dr Horne agreed that was the case. He stated:

As far as it goes, that’s correct.

Now we have the National Party undermining the Prime Minister’s Murray-Darling Basin plan. We saw, under pressure from the National Party, the government’s line shifting. The rhetoric about sorting out water overallocation in the Murray-Darling Basin and buying back water entitlements was shifted back quite considerably within a few days. On 25 January the Prime Minister announced that the government’s plan would spend $3 billion buying back water entitlements in the Murray-Darling Basin. Less than a week later, the government was meekly saying that buying water entitlements would only be a last resort. The fact is that we know that the Nationals’ Peter McGauran, the Minister for Agriculture, Fisheries and Forestry, has long opposed the government’s buying back of water entitlements. We have the unseemly spectacle of Mr McGauran and Mr Turnbull fighting over whether the Commonwealth should buy water licences from willing sellers.

We have a National Party state MP in NSW, Mr Piccoli, who has stated that he is determined to wreck the water plan proposed by the Prime Minister on 25 January. We want to see what Mr Vaile is going to say about this and whether he supports other members of his National Party—in fact those in his own branch.

The history of this bill has shone the light on a disorganised and disunited government which is hurriedly playing catch-up on water policy. Whilst we welcome the nature of the agreement reached last Friday on the Murray-Darling with most of the states, we are concerned as to the way this process has been undertaken. We have sought to play a constructive role in assisting to bring together the states with the Commonwealth. However, we remain of the view that addressing the overallocation of water entitlements must be a central component of resolving our crisis. Addressing Australia’s national water crisis is an urgent task requiring leadership and action as well as internal discipline, attention to detail and appropriate consideration of policy options. What we have is a bill before the chamber which is entirely inconsistent in many respects with the Prime Minister’s announcement on 25 January. It is simply more confirmation that this was a belated and hasty announcement that was not subject of proper consultation either internally or with the states and territories.

Senator BARTLETT (Queensland) (5.31 pm)—I will just take the opportunity to speak briefly on this, seeing it is now before the chamber. I do think that it needs to be emphasised how absurd the situation is. A piece of legislation was introduced into parliament late last year which is significantly at odds with a major announcement by the Prime Minister just a couple of months later. As Senator Wong said, it is a clear indication that basically the government are making
this up as they go along. That is not adequate for such a serious issue.

The Democrats have long advocated a national approach to management of the Murray-Darling Basin, so we are certainly not critical in principle of the idea of what is going ahead. That makes all the more reason for us to be critical when such a process gets adopted in such a slapdash way. It reinforces the Democrats call for a proper Senate inquiry not into this piece of legislation but into what is actually happening, which is not this piece of legislation—a proper Senate inquiry into the total water package that the Prime Minister has put forward. Even the state premiers who have signed up to it have made clear that details are still being sorted out and nailed down. I believe it is very much in the public interest for further examination to take place via the Senate committee process to bring out into the open what is going on and what it will mean for the people affected. Clearly, the state governments in most cases have been just as sloppy and just as responsible for the debacle that has been dragging on for so long. Having some sort of political deal stitched up among all of the culprits, the ones most responsible for the shambles we are now in, is not my idea of the best outcome. We need much more transparency, a spotlight shone on it from the community’s point of view rather than just backroom stitch-ups by state and federal governments.

I also think that it is important to emphasise—particularly from the point of view of my own state of Queensland—that as part of all of this we even have left-field things thrown in after the Prime Minister’s announcement such as Queensland’s Premier Beattie unearthing once again the bizarre Bradfield scheme to redirect the rivers from the north down into the Murray-Darling Basin. Indeed, it has been stated by the federal government that that can be looked at as part of this northern water task force that Senator Heffernan is going to chair. I believe that all of these things need examination by a proper Senate committee inquiry. That is the parliament doing its job and it is particularly important given such a poor record by governments at all levels over such a prolonged period of time.

The other key point here—and again, Senator Wong went to this—is what is going on within the federal government. As recently as this week we are getting mixed messages about what is happening with the money and how it is going to be applied to ensure that adequate water is returned to the Murray-Darling Basin. That is what this is all about at the end of it all. It is about making the Murray-Darling Basin ecologically sustainable once again so that communities can continue to survive off it along with ecosystems, wetlands, biodiversity and flow-throughs to the mouth of the river—domestic supplies and the lot. That can only work if there is enough flow and enough water in the system that is not extracted. We have overallocation: how is it going to be addressed?

We still have a problem. Just yesterday in the House of Representatives question time in the answer to a question from, I think, Mrs Danna Vale to the National Party leader, we had Mr Vaile saying that as a last resort there will be a buying back of water entitlements from those who may wish to sell. This is a completely different message from the one being put out from Mr Turnbull. Frankly, we need to be willing as a last resort to have a buying back of licences from people who are not willing to sell, if that is what is needed. Otherwise, the whole package, the huge amount of public money that is potentially involved, is not going to reach its full value and is potentially going to be wasted. This is not something that you do half right and get a half-good result. If you cannot get past that crucial hurdle about adequate water in the
system then all of the money spent getting you somewhere closer to it but not over it can be wasted. The damage can still be just as severe. So it is not a matter of halfway there is a good enough approach. We have been trying that for too long. That is why these things need to be sorted out.

It is not usual to speak to the tabling of reports pursuant to the Selection of Bills Committee reports, I might say, but given that the Senate gave leave, obviously the Senate believed it was sufficiently important to do so. This is actually an unusual situation. The complete dissonance between a major prime ministerial announcement not very long after a piece of legislation that came into this parliament seems like a classic example of the left hand not knowing what the right hand is doing. We heard earlier this afternoon that not even the hand of Finance knew what the hand of the Prime Minister was doing. The idea that it is only $10 billion so what does it matter is a disgracefully irresponsible one.

I do have to wonder sometimes: $10 billion over 10 years for a lot of people in government—particularly with the short-term mindset that applies in election years, where any amount of money can be promised for six, seven, eight, nine or 10 years down the track—is not real money anyway. Things change so much even from one year to the next that a promise that money will be spent six years hence is, frankly, a pretty shoddy one. I would love to hear Senator Abetz defend this government’s record with regard to their complete failure to deliver on their promises of so many funding packages. They promise massive amounts of money over an extended period of years and then when you get halfway through those years, surprise, surprise! It has been extended for another four years. Surprise, surprise! The money has not actually been spent. Or surprise, surprise! We only promised up to a certain number of billions of dollars. We did not actually promise we would spend that money; we said we would spend up to that amount. We see all the slippery tricks of the trade that this government has become a master of over the years.

We have the master of them all—a promise in an election year for money that is supposedly going to appear in 10 years time. I think the Senate has every right to examine this in great detail, and I think the public has every right to be sceptical of all sides of the arguments that are in play here. And, just to be balanced, they will be sceptical of not only the federal government but also some of the state governments when it comes to what is involved and what is really going on. It deserves greater scrutiny and I think this report and the specific curiosities it throws up are just one more reason why there is a very understandable level of scepticism in the community, despite the fact that some agreement has been reached. I welcome the fact there has been some agreement; I welcome the fact there has been some progress. But that is still far from a guarantee that it is actually going to deliver results.

Question agreed to.

Economics Committee
Hansard Record of Proceedings

Senator PATTERSON (Victoria) (5.39 pm)—On behalf of the Chair of the Economics Committee, Senator Ronaldson, I present the Hansard record of proceedings on the committee’s inquiry into the Tax Laws Amendment (2006 Measures No. 7) Bill 2006.

Senator LUDWIG (Queensland) (5.39 pm)—I seek leave to move a motion in relation to the Hansard record of proceedings.

Leave granted.

Senator LUDWIG—I move:
That the Senate take note of the Hansard record of proceedings.

I had expected Senator Ronaldson to be here and I would have given him the opportunity to speak. But he will get the opportunity to respond at some other time. I want to raise a point about this before the substantive matter is dealt with by Senator Stephens, who will go to the report proper. I will only take a short time; I know there is a limited amount of time to deal with these matters. The matter I want to raise is this, and the opposition is not going to let it go by; this matter was referred on 8 February 2007, the close of submissions was on 16 February 2007 and, by all accounts, the first opportunity to have a hearing was on Monday, 26 February. The report was tabled on Tuesday, which is yesterday, not even with the Hansard. What we are now seeing is the Hansard follow the tabled report.

It is more than unacceptable because there is no rush in respect of this bill. An easier course, and a course often followed here, is to provide an interim report, which could have been tabled tomorrow if need be. It certainly is not going to be dealt with this week; it has not been on the red to be dealt with this week. The next opportunity for it to be debated is likely to be not until late March. We have an arrogant government that seeks to table a report prior to the availability of the Hansard. You then get this ridiculous situation where you download the report to have a look at it and instead of Hansard page numbers for witnesses and submitters you get the committee secretariat’s notes. It seems to me that that is not only unacceptable but also beyond the pale. It is a shabby way of dealing with it. That is no reflection on the committee secretariat; I am absolutely sure they are doing the best they can under the circumstances. It is the chair’s responsibility and the government’s responsibility to ensure that they do not treat the submitters and the Senate in that shabby way.

As I said, it is not listed for debate so what is the rush? I would certainly like to hear the government’s perspective as to why they want to use the Senate in this way, or are they just simply doing it because they can, because they have the numbers to be able to push these reports through? Hold on a minute and do it properly, at least. The proper way to deal with these things is to ensure that at least you have the Hansard, and that the committee report is written in such a way that everyone has their Hansard record acknowledged, rather than dropping it in a printed form yesterday when it was not even until today that we could gain a copy from the tables office. The only opportunity people had to see the report was to download it. And, as I said, if you tried to download it you got the silly circumstance of committee notes. It simply should not have happened.

There are two explanations. Either the chair is new, and that is true, or the government is being arrogant and forcing these reports through unnecessarily. It is not necessary to do it in this way. I am not going to let it go without commenting on the version we now have of the way the government treats the Senate. Once upon a time, the chair, in his committee role, acted as a gatekeeper to this place. What you have now is the government acting arrogantly and pushing through reports for no other reason than it can, since it has control of the Senate.

Senator Abetz interjecting—

Senator LUDWIG—Senator Abetz interjects on the basis that we have moved a long way. We now have committees functioning. We have moved to a point where the committee system does work, and it works not because of the work the coalition have put in; it works because of the work of the Labor Party and the minority parties in getting it to

Senator Abetz interjecting—
function and work effectively. What the coalition are now doing is pulling it down, piece by piece. And each time that they do that I am going to come into this chamber and point it out, because the system that they have now condoned will lead to errors, omissions and corrections that will have to be made. It is unacceptable, and I will make that point.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (5.45 pm)—I too rise to take note of this presentation of the Hansard record of proceedings of the inquiry that the Senate Standing Committee on Economics held on Monday. Senator Ludwig has raised the issue of the undue haste with which the committee was required to deal with this legislation. We will get the opportunity to debate the legislation when it finally comes to this place, but there are some important issues that need to be placed on the record.

One of those issues is that what has happened is unprecedented for our committee. Our committee was presented with a report when there had been quite complex evidence provided to us in the hearing on Monday. Members of the committee were not able to actually consider the text of the evidence prior to considering the report before it was presented here yesterday. We received evidence that was not only quite complex but also raised some very important issues for those of us who wanted to make additional comments to the report and wanted to reflect the accuracy of the evidence that was provided to us. So there is a very important issue here.

My concern is that we have been leveraged into such a hasty consideration of this report that we now have on record an extraordinary precedent where we can have significant legislation inquiry reports being footnoted that they are in fact secretariat notes from the public hearings. The substantive issues that we had to deal with included a recommendation from the minority members of the committee that the bill actually be split and that one section of the bill not be considered, based on the evidence that we received on Monday. I think that is something we in this place need to bear in mind for the future.

Senator RONALDSON (Victoria) (5.47 pm)—I have listened intently to Senator Ludwig and Senator Stephens. While I appreciate the commentary in relation to this matter, regrettably their argument fails, I am afraid, on one very basic test. That test is that when this matter was first introduced the Australian Labor Party had the opportunity to refer, if this matter was of such significance to the Australian Labor Party that it was to be referred then surely it would have been referred. The fact that it was not indicates that there must be other reasons for this; and those other reasons can only relate to the politics of this situation, and nothing else. I think that, quite frankly, is very sad.

As the new Chair of the Senate Standing Committee on Economics, I would have hoped that no honourable senators would have viewed the process—and you yourself, Mr Acting Deputy President Murray, were involved in that process—and the way that
process was conducted as anything but open and frank. Every senator was given every opportunity to raise questions of concern. We had a reporting deadline. In terms of where we met, we had some up weeks and the committee unanimously agreed to meet on Monday. Indeed, I received congratulations from one non-government member on the speed with which the chair’s draft report was turned around—and I am not going to name that person because that would be unfair. Every part of this process was done to facilitate the work of the economics committee to consider this bill. There was not one part of that process that was in any way bastardised to the detriment of committee members. Indeed, everything was done to facilitate due consideration of this matter.

Senator Stephens—Except the Hansard report.

Senator RONALDSON—I will take that interjection. Senator Stephens is acutely aware—and I do not want to betray conversations between chair and deputy chair—that we made endeavours to meet in an up week and it was not possible to coordinate arrangements to do so. My preferred course of action, as the new chair of that committee, was to have that hearing prior to the Monday, but the members could not be accommodated, for a variety of reasons. Endeavours were made by the secretary, by me and, indeed, by the deputy chair to try and facilitate that, but it could not be done. This is not the first time in this place that people have had to accommodate time frames to get matters dealt with before reporting times. This is not something new that has jumped out of someone’s Weeties. This is a process where there are time lines and people have to meet those time lines. We could not facilitate a meeting beforehand. The meeting was held on the Monday, and as much time as possible was given to everyone. I did not close that meeting. That meeting closed because everyone had had their opportunity to speak in relation to this matter.

Having listened to Senator Ludwig, what concerns me is that there is some implication of impropriety on my part, which I categorically reject, or on the part of the government, which I equally categorically reject. The disappointing aspect of this is that, having been dealt up the pie once, the Australian Labor Party put it in the fridge. They could have put it in the oven and they chose not to do so. This time around, given another opportunity, they have suddenly, for the cheapest of political reasons, chosen to put the pie into the oven. To me that indicates a duplicitous approach to taking up time in this chamber. There are other matters that we should be debating. This has been a duplicitous approach to score a cheap political point. That should disappoint all the senators in this place, not just those on this side. The opportunity had presented itself, but the Australian Labor Party had not taken that opportunity.

I invite any member of that committee to say that due process was not given to the committee’s deliberations on this matter. In fact, I will go through the process. The submissions were sent out. The committee distributed a list of potential witnesses. The secretary requested indications from all senators of other witnesses whom they might want to call. There were no other requests from the Australian Labor Party senators for anyone else to appear at that committee other than those who did appear. Ample opportunity was given. When senators were asked whether they required anyone else, there was not one response requesting other attendees for that hearing. Therefore, the whole committee agreed on a group of attendees as the most appropriate ones to attend that hearing. Ample time was given. In fact, if my colleagues look back they will probably find that the anticipated finishing time was 12.30—that time had been allocated by the
committee. That hearing finished at 11.20, from recollection.

The allegation that there was not due process, that there was not an appropriate opportunity for these matters to be canvassed, I categorically reject. The principles underlying this debate this afternoon are about scoring a cheap political point, which is totally in line with other commentary in relation to the way the government’s majority is utilised. This is a political line which bears absolutely no relevance at all to the substance of the matter before the chamber today. This is only to reinforce a cheap political point, which we will all hear time after time between now and the federal election. The process in this matter was appropriate. The Labor Party had the opportunity to pull the pie out and put it in the oven. They chose not to do so. Now, they come in here bleating about the fact that they put it in the oven rather than the fridge, and they do not like the outcome of it. For someone to plead that this matter is deserving of 45 minutes—(Time expired)

Senator WEBBER (Western Australia) (5.57 pm)—Perhaps while Senator Ronaldson is still in the chamber, I will point out that I am also a member of the Senate Standing Committee on Economics but, unlike him, I am also a member of the Selection of Bills Committee. I suggest that he look at the full process of the way this place handles an inquiry before he embarks on such a point as he has. He is right to say that the opposition asked for the bill to be reconsidered by the Selection of Bills Committee, because when it was first on the agenda it had not been introduced anywhere and was simply entitled ‘Tax Laws Amendment (2006 Measures No. 7) Bill 2006’. No briefing was provided to the shadow minister nor had there been any discussion anywhere—nothing. How was the opposition to know what the legislation contained? Never mind whether it contained contentious matters.

Senator Ronaldson—Why wouldn’t you refer it?

Senator WEBBER—If you want us to refer every bill just on its title without getting a briefing from the ministers then that is the way this place will operate from here on in—you may have some issues with your friends in the government. There was bad process in this matter and bad faith on the part of the ministers in the other place, which is how we ended up with this mess, just as we ended up with the mess with the aged-care bill initially. Perhaps you should check with the members of the Selection of Bills Committee.

On the other things that Senator Ronaldson has said: indeed, the process of the conduct of the hearing and what have you was done in a very harmonious way. I think it was, yet again, good work by the economics committee in exploring some detailed issues of public policy, and we drew out some quite complex issues. To that extent, Senator Ronaldson did handle the process quite well. He also did give us the chair’s draft of the report with a lot more speed, perhaps, than his predecessor—who I notice is also in the chamber—had done from time to time. To that extent it has been a good process. But this committee, this chamber, Senate committees, will not work when it comes to inquiring into legislation if the government will not actually give us the brief on the legislation. (Time expired)

Senator BARTLETT (Queensland) (6.00 pm)—I seek leave to continue my remarks later and to have this matter stay on the Notice Paper.

Leave granted; debate adjourned.
The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—I present a response from the New South Wales Minister for Community Services, Ms Meagher, to a resolution of the Senate of 18 October 2006 concerning child protection.

Senator BARTLETT (Queensland) (6.01 pm)—I seek leave to move a motion in relation to the response by the New South Wales Minister for Community Services, Ms Reba Meagher.

Leave granted.

Senator BARTLETT—I move:

That the Senate take note of the document.

This is a response to a resolution that this Senate passed unanimously—eventually, after some toing and froing—in October last year regarding child protection. There have been a number of responses that have been tabled in the Senate from various state and territory governments since then. As the mover of that resolution, I am pleased that it is receiving responses.

The aim of the resolution—which obviously the Senate agreed to, because they adopted it—was to try and put the issue of child protection above party politics and to try and reinforce the message that this issue needs national leadership and stronger attention from all levels of government. It followed on from previous resolutions that I had moved in this place over the years. Indeed, one of them was based on the motion that was generated from the national conference of the Australian Local Government Association—an indication that, at local council level as well, there is a recognition of the need to look for more ways of addressing issues of child protection, child abuse and child assault.

Without going into the details of this particular response, I want to take the opportunity to remind the Senate of our collective expression, in October last year, of the need for child protection to have stronger national leadership and national attention. We have had a lot of talk in recent times—in fact, going back quite a long time—about the water crisis around the country and the need for stronger action at the national level. We have had clear action from the Prime Minister, deciding that he is going to take more national leadership and national control of that issue. Every issue is different, so I am not trying to suggest every response should be a parallel one. If we are talking about the water crisis, as we rightly should, it is appropriate to apply the word ‘crisis’ to the situation. The label ‘crisis’ is overused, and sometimes misused, and that devalues it, but it is certainly appropriate in that case. I believe that the word ‘crisis’ can also be accurately, and quite reasonably and dispassionately, applied to the situation regarding child protection and child abuse and neglect around Australia. It is an absolute crisis.

It is a monumental challenge. It is an issue that has no single answer or any easy answers. It is an issue that goes to the core of the fabric of our society. It is not just a matter of tougher law enforcement or a different bunch of laws. It is a matter of major changes in social attitudes and social behaviour. That sort of thing is never easy, and it cannot just be done by governments. But it can be improved significantly by having much greater recognition at national level and much greater leadership and priority given to it at national level. We cannot give priority to everything or, by definition, nothing is of priority. But I believe this is one amongst a small number of areas which do need more priority and which could really benefit from national leadership.
I do not just mean spending a bucketload of money. In some respects, a bucketload of money wrongly applied in this area would not only not help at all; it could, potentially, make things worse by diverting attention away from where things need to go. But I do believe we need to be continually reminding ourselves that this is a major crisis and the costs to our community—economic and social, long term—are monumental.

We cannot just say, ‘It’s a state government issue,’ or ‘It’s a family issue,’ or ‘It’s a community issue.’ It is an issue to which all of us need to address greater attention. So I welcome the response from the New South Wales minister, as well as those previous responses.

I know state governments are trying to do things. It is not an easy issue. Child protection workers are in an invidious position a lot of the time where they are inevitably found to have done the wrong thing, whichever way they jump. But more needs to be done. And, again, that does not necessarily mean more money, although sometimes it does. It does mean greater attention, greater focus and greater work for all of us at all levels of society if we are really going to remove this issue from the crisis it is in. There is no doubt that, at the current state of play, that is where it is.

Question agreed to.

PARLIAMENTARY ZONE

Proposal for Works

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (6.06 pm)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone, together with supporting documentation, relating to the design and content of Women Artwork at Reconciliation Place. I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator BRANDIS—I give notice that, on the next day of sitting, I shall move:

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

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—The President has received letters from party leaders seeking variations to the membership of committees.

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (6.08 pm)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

Corporations and Financial Services—Joint Statutory Committee—
Appointed—Senator Bernardi

Economics—Standing Committee—
Discharged—Senator Lundy
Appointed—Senator Hurley

Employment, Workplace Relations and Education—Standing Committee—
Appointed—
Substitute member: Senator Allison to replace Senator Stott Despoja for matters relating to the schools and training portfolios
Participating member: Senator Stott Despoja

Foreign Affairs, Defence and Trade—Standing Committee—
Appointed—Senator Forshaw

Publications—Standing Committee—
Discharged—Senator Polley
Appointed—Senator Hurley
APPROPRIATION BILL (No. 3) 2006-2007
APPROPRIATION BILL (No. 4) 2006-2007
First Reading

Bills received from the House of Representatives.

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (6.08 pm)—I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.
Question agreed to.
Bills read a first time.

Second Reading

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (6.09 pm)—I move:
That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.
Leave granted.
The speeches read as follows—
APPROPRIATION BILL (No. 3) 2006-2007
It is with great pleasure that I introduce Appropriation Bill (No. 3) 2006-2007.
There are two Additional Estimates Bills this year: Appropriation Bill (No. 3) and Appropriation Bill (No. 4). I shall introduce the latter Bill shortly.
The Additional Estimates Bills follow on from the Appropriation Bills that were introduced into the House on the occasion of the 2006-2007 Budget. They seek appropriation authority from Parliament for the additional expenditure of money from the Consolidated Revenue Fund, in order to meet requirements that have arisen since the last Budget.
The total appropriation being sought through the Additional Estimates Bills this year is in excess of $1.8 billion. That amount is partially offset by expected savings in appropriations of around $464.2 million. Taking savings into account, the expected net increase in expenditure arising from Additional Estimates Bills is approximately $1.37 billion, or about 2.1% of total annual appropriations. These savings are described in the document accompanying the Bills, the “Statement of Savings Expected in Annual Appropriations” which I will table shortly.
The total appropriation being sought in Appropriation Bill (No. 3) this year is almost $1.2 billion. This proposed appropriation arises from changes in the estimates of programme expenditure, due to variations in the timing of payments and forecast increases in costs, reclassifications and from policy decisions taken by the Government since the last Budget, most of which were described in the “Mid-Year Economic and Fiscal Outlook” document published in December last year.
I now outline the major items provided for in the Bill.

• an additional $12 million to support primary producers in regions that have been declared eligible for Exceptional Circumstances assistance; and an additional $14 million to support primary producers in regions that have declared eligible for interim income support;
• $17.3 million as taxable grants of up to $5,500 for eligible farmers, in areas that have been Exceptional Circumstances declared for more than three years, to obtain professional business and planning advice; and
• $30.9 million to assist former and current tobacco growers to move into other business activities;

An additional $30.2 million will be provided to the Department of Agriculture, Fisheries and Forestry to provide:

An increase of $74.2 million will be made available to the Department of Agriculture, Fisheries and Forestry to provide:
the United Nations Integrated Mission in East Timor from December 2006. A further $11.6 million is proposed to increase the capacity of the Australian Federal Police to respond to peacekeeping, peace restoration and capacity-building overseas.

The Department of Communications, Information Technology and the Arts will be provided with $34.9 million for the Protecting Australian Families Online programme. Funding will comprise $23.4 million for a National Filter Scheme providing a free Internet filter, or filtered Internet service, for all Australian families and public libraries, and $11.4 million for a community education campaign.

Additional funding is proposed for the Department of Defence to enable the following programmes to proceed:

- $120.8 million will be provided for Operation ASTUTE to restore peace and stability in East Timor;
- $49.6 million for the first stage of a programme to help improve the retention and recruitment of Australian Defence Force personnel; and
- $32 million to deliver Stage 1 of the Enhanced Land Force initiative, to increase the size of the Australian Army by one light infantry battalion;
- These funding increases for the Department of Defence are partially offset by savings in other programmes.

The Department of the Environment and Water Resources will be provided with additional funding to enable a further $84.0 million payment for the Great Barrier Reef Marine Park Structural Adjustment Package. These increases are partially offset by savings in other programmes.

$20.7 million is proposed for the Department of Families, Community Services and Indigenous Affairs for the Jobs, Education and Training Child Care fee assistance programme to provide affordable child care to an additional 3,500 recipients in 2006-07. The Department will also receive a further $10 million to assist 4,700 volunteer organisations purchase equipment.

An additional $22.9 million will be provided to the Department of Finance and Administration to provide Senators and Members with additional resources to represent their constituents effectively, and also to provide one additional electorate officer to each member of the House and the Senate to enable Senators and Members to better service the needs of their constituents and fulfil their Parliamentary duties.

It is proposed to provide $30.4 million to the Department of Foreign Affairs and Trade to reimburse it for the expenses it incurred evacuating Australian citizens and their immediate dependants from Lebanon.

The Department of Health and Ageing will be provided with $15 million to fund an additional 40 applications for e-Health broadband infrastructure grants. In addition, $49.8 million will be made available to the Department for a range of programmes which had unspent appropriation in 2005-06.

The Department of Human Services will receive $11.6 million to enable patients to claim a Medicare rebate electronically at their doctor’s surgery via the EFTPOS network. The Department will also receive $36.7 million to centralise project
management and procurement activities for the Health and Social Services Access Card project. These additional funds are offset from Access Card savings by Centrelink and Medicare Australia which are reported in the Statement of Savings document.

An increase of $14.6 million will be provided for the Department of Immigration and Citizenship to introduce a formal citizenship test, while an additional $13.7 million is proposed for workload increases flowing from an increase in case volume and case complexity in several visa categories.

An additional $136.1 million is proposed for the Department of Industry, Tourism and Resources to provide rebates to encourage consumers to purchase new Liquefied Petroleum Gas vehicles and convert existing vehicles to use LPG. The Department will also be provided with an additional $10 million for the Cyclone Larry Business Assistance Fund which had unspent appropriation from 2005-06.

A further $13.1 million is proposed for the Department of Transport and Regional Services to meet net funding requirements of administering and providing services to the Territories; and

The balance of the amount in Appropriation Bill (No. 3) relate to estimates variations, reclassifications and other minor measures.

I table the “Statement of Savings Expected in Annual Appropriations”, and I commend the bill to the Senate.

APPROPRIATION BILL (No. 4) 2006-2007

Appropriation Bill (No. 4) provides additional funding to agencies for:

- non-operating purposes such as equity injections and loans.

The total additional appropriation being sought in Appropriation Bill (No. 4) 2006-2007 is almost $637 million.

The principal factors contributing to the additional requirement since the 2006-2007 Budget include $277.4 million in additional payments to the States, Territories and local government authorities, including:

- $222.5 million to the Department of Agriculture, Fisheries and Forestry to support primary producers in regions that have been declared eligible for Exceptional Circumstances assistance support;

- and

- additional compensation payments totalling $35.4 million to New South Wales and Victoria under the Snowy Hydro Limited corporatisation agreements. The payments compensate for the lower dividends received by these States from Snowy Hydro Limited as a result of the company now paying company tax, ensuring that the States are not penalised by the new structure. The additional payments arise because the sale of the company will not proceed.

Bill 4 also proposes $359.6 million in additional appropriation for non-operating expenses, the more significant of which I now outline.

The Department of Defence will be allocated $49.7 million to acquire protective equipment to enhance the security and effectiveness of deployments to Iraq and Afghanistan. It is also proposed to provide $18.6 million to the Australian Defence Force to meet the cost of responding to the civil unrest in East Timor. In addition, the Australian Defence Force will be provided with $14.2 million to fund the first stage of the Enhanced Land Force initiative. These funding increases are partially offset by savings in other programmes.

Capital funding of $22.5 million will be provided to the Australian Federal Police to increase its capacity to respond to peace-keeping and peace restoration assignments.
In addition, capital funding of $17.3 million is proposed for the Office of Workplace Services to fund office fit-outs associated with its expanded regional presence and to develop an information technology application to manage claims and infringements.

It is proposed to provide the Department of Finance and Administration with $60 million for the construction of the Christmas Island Immigration Reception and Processing Centre. This additional funding is required to meet increased project costs including in relation to the lengthy breakdown of the Christmas Island port crane.

The Department of Human Services will be provided with $34.4 million in capital to centralise project management and procurement activities for the Health and Social Services Access Card project. These additional funds will be offset by savings in Centrelink and Medicare Australia.

An additional $12 million is proposed for the Department of Immigration and Citizenship to reimburse the Department for workload increases flowing from an increase in case volume and case complexity in several visa categories.

The Department of Industry, Tourism and Resources will receive an additional $28.8 million to cover an increased liability for compensation payments accrued in 2005-06 to New South Wales and Victoria under the Snowy Hydro Limited corporatisation agreements.

An additional $14.0 million will be provided to the Department of the Treasury to meet the Government’s obligations under the HIH Appropriation Act 2001;

and

Finally, the Australian Tax Office will receive additional capital of $11 million to help deliver the Simplified Superannuation reforms.

I commend the Bill to the Senate.

Ordered that further consideration of the second reading of these bills be adjourned to the first day of the next period of sittings, in accordance with standing order 111.

The speech read as follows—

I have great pleasure in introducing the Human Services (Enhanced Service Delivery) Bill 2007. As its name makes clear, this Bill is about providing a better, simpler and more secure way of delivering health and social services and payments to the Australian people.

The Australian Government provides over $100 billion dollars worth of taxpayers’ money each year in health and social services and payments. Australian taxpayers have a right to expect that their money is spent in a way that ensures that only those individuals who are entitled to benefits receive them – and that individuals only receive what they are entitled to.

The Bill that I am introducing today will provide Australians with an upgraded Medicare card. This card will replace up to 16 other cards and vouchers and will make dealing with Government easier, faster and less complex.

This Bill is the first part of the legislative package to establish the framework to support the upgraded Medicare card – or access card. It will put
some certainty around some of the issues that are of most interest to the community.

Later legislation will deal with the review and appeal processes for administrative decisions, further elements of information protection and legislative issues relating to the use of the card, including in relation to dependants.

In particular, this Bill incorporates many of the recommendations that were made by the Access Card Consumer and Privacy Taskforce, led by Professor Allan Fels AO.

The Government has, and will continue to adopt, a highly consultative approach in developing and implementing the access card and associated legislation. To date:

- the independent Consumer and Privacy Taskforce has undertaken over 160 consultations and has received more than 100 submissions;
- the access card website has received over 500 email comments from members of the public;
- an access card information hotline has received over 1800 calls; and
- there have been ongoing briefings to stakeholder groups and the media.

As part of the commitment to involve the public in this process the Government released an exposure draft of the Bill for public comment on 13 December 2006. More than 120 submissions were received from non-government organisations and individuals, as well as from state, territory and federal government departments and agencies in response to the exposure draft. Every one of these submissions has been considered. Appropriate suggestions from the submissions have now been included in this Bill.

Many of the comments received on the exposure draft related to matters that are proposed for subsequent legislation. Consultations are continuing on a range of these issues, such as the use of the card in dealing with dependants. The Consumer and Privacy Taskforce has been asked to continue its consultations and provide advice on a range of these issues, including in relation to appeal mechanisms.

This Bill introduces a transformational change to the delivery of Commonwealth benefits. It proposes an evolution in Australia’s health and social services system. The changes proposed in this Bill will take this system from the technology stone age to a modern, simpler and more secure way of delivering health and social services.

The scaremongers will say the access card is an ID card. It is not a national identity card. And it is not the Australia Card that Labor introduced in 1986. Under the Australia Card Bill, you could not conduct your normal affairs without having to produce your card. You could not open a bank account, buy a house or get a job without producing your Australia Card. You could not withdraw money from your savings account, send money overseas or buy shares without producing your Australia Card. Labor’s Australia Card was a true national identity card and was rightly rejected by the Australian people.

The access card established by this Bill has none of these features and has limited uses which are clearly circumscribed by the Bill. The card:

- will not be a national identity card;
- will not be compulsory for every Australian;
- will not be an electronic health record;
- will not record your financial details;
- will not be required to be carried at all times;
- will not be required to transact normal everyday business;
- will not be required to be shown to anyone other than for the provision of health and social services benefits provided by the Australian Government and to confirm concession status.

What is being proposed in this Bill keeps Australia aligned with developments in the rest of the world, where service delivery, using smart card technology, is being used to improve the convenient, secure and efficient delivery of services to citizens and, importantly, to reduce fraud.

Over the next 10 years this Government will be distributing almost a trillion dollars in health and social services benefits. That significant sum of money provides enormous risks for – to put it simply – Australian taxpayers to be ‘ripped off’. KPMG has estimated that the Government will save $3 billion dollars over the next ten years by...
introducing this upgraded chip-based Medicare card.

Leading-edge smart card technology will be used in the access card. The current technology, including cardboard cards and simple plastic cards, is outdated and has proven highly vulnerable to improper copying in a way which exposes the system to fraud. Better and more advanced technologies are now available that can replace and improve the 23-year-old technology that our Medicare cards are built on.

Medicare cards were introduced almost a quarter of a century ago. Back then, cars did not have safety and security features like air bags or engine locking systems. We upgrade our cars to make full use of modern security features to protect ourselves and our families. We should now be doing the same with our Medicare cards.

The Medicare card is cheap and easy to fraudulently copy. Recently the Australian Federal Police estimated that Medicare cards are involved in some way in more than 50 percent of identity fraud cases. In a recent speech to a Counter Terrorism Summit, the Australian Federal Police Commissioner, Mick Keelty, estimated that identity fraud costs Australians anywhere between $1 billion and $4 billion annually.

To give just a few recent examples:

- A doctor in Queensland used 21 stolen identities involving Medicare cards to obtain 19,650 narcotic medicines worth over $2 million.
- In a recent case, a Centrelink customer had meticulously created false identities for 18 non-existent children. The customer had used fraudulent birth verification forms and forged letters to falsely claim benefits for nine sets of twins worth $623,000 in taxpayer funds.

In each of these cases a false identity was created.

With the new access card, the registration process for the card will require people to provide robust proof of their identity through substantially improved procedures.

Unlike the current arrangements, the new system will detect people trying to register under two identities. We will be able to catch fraudsters before it costs Australian taxpayers large, unrecoverable amounts of money.

While this Bill may be opposed by some on the other side of politics – the “friends of fraud” - it will respond to the concerns of hard working Australians who are sick of people cheating the system and getting away with it.

Apart from the clear benefits the card will provide in combating fraud, it will also play a significant role in streamlining the current cumbersome and time consuming system for delivering health and social services benefits.

- It is estimated that around 580,000 people each year make a trip into a Centrelink office and join a queue—only to find they must go home to find the right documents and start again every time they want to apply for a new type of benefit;
- There are multiple registration points with some people having to provide the same information to different agencies and often having to provide the same proof of identity information to the same agency if they want a different service;
- Each year some 50,000 letters are sent to individuals who have incorrectly filled out their name and/or address on their Medicare claim form.

The new access card will mean that consumers will only need to register once for a service and only notify participating agencies once of changes in circumstances, such as change of address. The services include those now provided by or through the Departments of Veterans’ Affairs and Human Services (including the Child Support Agency and CRS Australia), Medicare Australia, Centrelink, Australian Hearing Services and Health Services Australia.

The measures in this Bill will reduce time spent filling out forms and waiting in queues and will provide customers with greater options to access their benefits. The new card may well represent the most significant reduction in red tape for individuals that Australia has seen.

One of the many benefits of the new access card is that it will be able to be used for emergency payments in situations such as occurred in March last year in Innisfail after Cyclone Larry left the
town isolated and without electricity. Centrelink officers were required to work innovatively with banks and their customers to ensure people had ready access to money to buy food and other essential items. The new access card will make it easier to assist people in such emergency situations as it will enable them to use their new card to access government assistance immediately.

Some opponents of the access card have argued that the register that will be established under this Bill will be a centralised mega database. The register will not be amalgamated with the databases of existing participating agencies. It will be established separately from participating agency databases and will not contain medical or health information. It will not contain transactional records. Detailed customer records will continue to be held separately by Centrelink, Medicare Australia, the Department of Veterans’ Affairs and other participating agencies.

As to the card itself, it will only have limited information on display – less than all State and Territory driver’s licences do now. The Bill provides that the only mandatory information on the card will be a photo of the card owner, the owner’s name, his or her digitised signature and the card’s expiry date and number. A future Government will not be able to require any further details to be added to the surface of the card without full debate in this Parliament and an amendment to the legislation.

This is probably the first time that a card issued by the Government will be owned by the card holder. This gives greater choice to individuals about how they use the card other than for health and social services purposes. The card belongs to the card owner and he or she can use the card for whatever lawful purpose he or she chooses.

The Bill sets out a number of offences to protect the card and card owners.

There has been some concern expressed about the possibility that businesses would be able to demand the production of the card as a form of identity. This Bill creates new offences with significant penalties to ensure that this does not occur. The Bill makes it an offence, punishable by a maximum penalty of 5 years imprisonment or $55,000 (or both) for any person – and up to $275,000 for a company - that requires a card owner to produce their card for any purpose except for the provision of Commonwealth health and social services benefits or to verify concessional status.

Similarly it will be an offence, punishable by a maximum penalty of 2 years imprisonment or $13,200 (or both), for a person to make a copy of, or divulge, a card owner’s photograph, signature or card number unless it is for the limited purposes of the Act or with the owner’s consent. That amounts to up to $66,000 for a company that commits this offence.

The measures in this Bill will substantially reduce the opportunity to set up false identities; reduce fraudulent claims for benefits from Centrelink; reduce claims for Medicare and pharmaceutical concessions and the safety net based on inaccurate concession information; and prevent a person using someone else’s card to claim an entitlement.

This is significant and necessary legislation that will ensure future generations will be able to have access to a generous health and social services system.

The only people who will be opposed to the measures in this Bill will be the vocal minority who take a blinkered view of the world and who will oppose any reasonable measure to stop people ripping off the system. These “friends of fraud” do not represent the silent majority of Australians who expect their Government to act on their behalf to ensure that their taxes only go to help those who truly need assistance.

Ordered that further consideration of the second reading of this bill be adjourned to the first day of the next period of sittings, in accordance with standing order 111.

COMMITTEES

Rural and Regional Affairs and Transport Committee

Reference

Senator SIEWERT (Western Australia) (6.10 pm)—I, and also on behalf of Senator Milne, move:

(1) That the Senate notes:

(a) the recommendation of the Australian Business Roundtable on Climate
Change to ‘Build national resilience to the impacts of climate change’;

(b) the announcement of support for the Roundtable’s recommendation by the National Farmers Federation (NFF) on 6 December 2006, stating that the ‘NFF believes that climate change may be the greatest threat confronting Australian farmers and their productive capacity’;

and

(c) the call by representatives of 16 faiths on 5 December 2006 for the Australian Government to take urgent action on climate change.

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

(a) the need for a national strategy to help Australian agricultural industries to mitigate and adapt to climate change;

(b) consideration of the risks and opportunities presented by reduced rainfall, increased temperatures, higher evaporation and increased climatic variability for Australian agriculture;

(c) assessment of the state of existing knowledge, the relevance of current strategies, and the adequacy of existing research and development programs to the need to address impacts of climate change on the security of Australian food production and the viability of rural communities; and

(d) the effectiveness of the National Plan for Water Security in meeting the challenges of protecting the health of our rivers, floodplains, wetlands and other dependent environments, ensuring secure water supplies for our towns and cities, and maintaining the viability of our agricultural sector.

This is an extremely important issue—so important that I acknowledge that I made an attempt to refer a similar item to the Senate Standing Committee on Rural and Regional Affairs and Transport last year. Since that time a number of other things have occurred, which has made the urgency and the requirement for this issue to be reviewed even more significant, I believe. We have had the Intergovernmental Panel on Climate Change, commonly known as the IPCC, report again about the severity of the impacts of climate change. My colleague Senator Milne will go into more detail of those issues later. We have also had the Australian Business Roundtable on Climate Change make a statement on building national resilience to the impacts of climate change. We had what I think is a very significant statement from the National Farmers Federation on 6 December last year, which said:

NFF believes that climate change may be the greatest threat confronting Australian farmers and their productive capacity.

I repeat—they have said that it is:

... the greatest threat confronting Australian farmers and their productive capacity.

There was also the call by 16 faiths around Australia for the Australian government to take urgent action on climate change. That is why Senator Milne and I are seeking to refer the issues around climate change and the impacts of climate change on Australian agricultural industries and their ability to adapt to the rural, regional affairs and transport committee.

At the beginning of February I amended my motion to include:

(d) the effectiveness of the National Plan for Water Security in meeting the challenges of protecting the health of our rivers, floodplains, wetlands and other dependent environments, ensuring secure water supplies for our towns and cities, and maintaining the viability of our agricultural sector.

I will go into some of the issues relating to water very shortly, but I would like to remind the Senate about some of the limited work that is going on in Australia into investigat-
ing and dealing with the impacts of climate change on our agricultural sector. I remind the Senate that Australian agriculture is one of the most adaptive in the world and Australian agriculture has managed to adapt to a very hostile climate. But scientists and researchers are acknowledging that agriculture is now at the stage where it cannot progressively adapt to the impacts of climate change. Unfortunately, at a political level that recognition is not coming rapidly enough. We are getting to a point where we cannot adapt anymore. We need significant investment in research into adaptive techniques so that Australian agriculture can adapt. I also remind the Senate of ABARE’s latest predictions for summer crops, which are, unfortunately, extremely depressing—they were cut yet again just a couple of weeks ago. The Queensland Farmers Federation just last year said:

Adaptation to climate change is the biggest challenge facing Australian agriculture in the next 20 or 30 years ...

In other words, they are also supporting comments by the National Farmers Federation. They also said:

Like all changes, a changing climate brings both risks and opportunities. Those who better understand the nature and implications of the change can adapt more effectively to avoid the risks and seize the opportunities.

They went on to say:

Agriculture is arguably the most seriously affected sector of the State economy—

they were talking about Queensland in this instance—

in terms of climate change effects. Yet there has been little investment by the State in identifying the impacts of climate change for farmers, or in preparing farmers for adaptation or mitigation strategies.

I will yet again highlight the comments that have been made by Dr Bryson Bates, the director of the CSIRO climate change program, on research into climate change. He said:

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

He was speaking in the context of a question that I had asked about how much money was being invested in research into the impact of climate change. Both Senator Milne and I have in the past reminded this chamber that Australia’s senior economics research bureau is not addressing the issue of climate change. I remind the Senate that the Farmers Federation have said they believe that climate change may be the greatest threat confronting Australian farmers and their productive capacity. Yet at estimates two weeks ago, when I yet again asked ABARE what they were doing to address climate change—a continuing theme on which both Senator Milne and I have been chasing ABARE—they said:

... there is a need for better understanding of the science and the biophysical impacts at a regional level within Australia. We are currently working with CSIRO, the Bureau of Resource Sciences and others to begin to grapple with that issue.

They are only just starting to deal with it. They continued:

Understanding how the changes are going to occur, how best for the farm sector and others to adapt to it, is critical to the long-run future of the farm economy, so we have begun that work.

They have just begun that work! It is the year 2007 and they have just begun to look at the impact of climate change on agriculture. As
you would probably understand, I then commented that I did not think that was appropriate. They replied:
We are beginning that work.
Then I asked whether they had a time line for producing some results. The new head of ABARE, Mr Glyde, told me:
We are putting a paper out about that, just toe in the water type stuff, at our Outlook conference, in terms of what some of the things might be. But if you are talking about the time line for coming up with really detailed impacts, it is a very long time. It is a long project to be able to do all that. We are still in the process of working that through with our colleagues.
So they are still beginning to work out what they are going to be doing about climate change and its impact on agricultural systems. This government should support this review, if for no other reason than to see what Australia’s supposedly senior resource economists are doing about climate change. There is a need for a review just to do that, let alone anything else that Senator Milne and I have included in the terms of reference for this report.

Senator Milne will shortly be addressing in more detail some of the impacts of climate change, but I would like to go to the water plan and the amendment that I made to these terms of reference. I think there is an urgent need to review the national water plan—if it is going to be producing results—in particular, how it is going to be helping our agricultural sector deal with the interaction between water and climate change. As I pointed out just a little while ago, we learnt at estimates that this water plan obviously occurred sometime after November and most of the work was done in January—in other words, it was very rushed.

At estimates we asked for the calculations on the savings, the costings and the targets, but there were none. A number of us repeatedly asked the water agencies about the basis on which the water plan costings were done. But we got nothing. The only reference we were given was the plan itself. I have read the plan—in fact, a number of times—and the information provided in it is not referenced. When I asked for references, I was told to go to the plan. Where are the references on how much the water efficiency provisions are going to contribute—that is, 1,200 gigalitres, half of which goes back to farmers and the other half of which goes back to Australia? When I asked for the rationale behind those costings and the figures on water savings, they could not give them to us. They tell us they consulted experts, but they could not give us the written references, other than what is in the plan. I could have written something in a plan and then, when someone asked me to justify it, I could have said, ‘The reference is in what I have just written.’ I could have plucked any figures out of the air, written it down and then said, ‘Refer to them.’

Also, there are no targets. The only information that is there is the information in the plan that says, ‘We’ll get 1,500 gigalitres from overallocation and then we’ll get 1,200 gigalitres from the efficiency measures we’re putting in place.’ But there are no actual targets. So the only target we are going with now—the only target that is written down on paper—is the 500 gigalitres from the Living Murray target, which everybody knows was the lowest common denominator. The experts said, ‘You actually need 3,500 gigalitres to have a good chance of recovery for the Murray.’ There was also an interim figure of 1,500 gigalitres, but that gave only a chance of recovery. For a good chance of recovery, we need 3,500 gigalitres. But there are no targets. When I asked about the target, I was told, ‘We’re putting lots of water back into the river, through the water efficiency program and through the overallocation pro-
gram.’ But, of course, there is nothing written down that anybody can follow to see what those figures actually are. In other words, ‘We could’ve potentially plucked figures out of the air because we don’t need a target and that’s what we’re going to deliver.’ But we still need a target.

We come to the issue of overallocation and what comes first. Are we actually going to be investing in water efficiency or the overallocation program? Of course, you do not want to be in the situation where you may have been delivering funding through the water efficiency program but then have to turn around and buy out that lease anyway. I raised that issue in estimates, and I was assured by the department, when I asked how they were going to integrate the two plans, that it would be silly if you paid Peter and robbed Paul. I was assured at the time that both of these approaches would be carefully considered. They would ‘make sure that it is integrated in an effective way’. Yet yesterday in the other place, the House of Representatives, when Mr Vaile was asked a dixter about the plan, he made it obvious what the Nats think about the plan:

... overallocation will be addressed firstly through efficiency savings in the system. That is why we have indicated ... $6 billion ... Secondly, as a last resort we are prepared to purchase water rights in the marketplace from willing sellers.

In other words, he was continuing the line that the minister for agriculture has been taking all along: they are not prepared to properly invest in fixing up our river system because they do not want to upset the cockies.

Senator O’Brien—The cockies?

Senator SIEWERT—that may be a Western Australian term. Sorry, that means ‘farmers’ for those non-Western Australians here. It is: ‘We don’t want to upset the farmers. We don’t want to upset the electors in our electorates in those regions.’

Senator Stephens—So their constituents?

Senator SIEWERT—Yes, their constituents. It is: ‘We don’t want to upset them so we’ll do it as a last resort.’ So we are going back to Mr McGauran’s approach where we buy out as a last resort; we only buy that little bit of water we can get from water savings.

We come to the impact of the water holdings of the large corporate buyers who have been very strongly in the market buying up megalitres of water. I am told of one corporate entity that has at least 50,000 megalitres. Another one, I am told, potentially has 60,000 megalitres. Obviously, these allocations and entitlements were bought up for managed investment schemes and, since the ground has changed, they are now holding significant amounts of water. Are they going to be expecting the government to bail them out with the $3 billion or are they going to try to transfer that water use from less-secure water holdings to high-security water holdings, again distorting the water market? Because they have been such major players in the water market, they have actually significantly increased the cost of water, making it even harder for government to buy out, to deal with the overallocation, and for this plan to be effective. There is clearly a need to review how that is going to occur and how they are going to make the allocation decisions.

We come to the issue of how the whole plan is going to work in the first place when you consider that the Commonwealth government is taking control of water-making decisions from the states. But you cannot separate water management from natural resource management. Anybody doing NRM 101 knows that. In NRM 101, one of the first things that I did at uni was to look at catchment management and water management. If you are going to do water allocations and
water management, you have to be getting involved in natural resource management. So does that mean the Commonwealth are going to start making decisions on locations of plantations, land use management plans, farm dams and clearing? There is the dreaded word ‘clearing’. Clearing has an absolutely immediate impact on water run-off, groundwater and salinity, not to mention biodiversity loss. Then you get to the tricky issues of illegal drainage. Are they going to turn a blind eye like the states have been doing? For example, in New South Wales you get environmental flows made to Ramsar-listed wetlands and the water does not even make it to the wetlands because people are so busy draining that water off, yet no action is taken. I hope the Commonwealth is going to start dealing seriously with those issues, but that is yet to be outlined. How is natural resource management going to be coordinated with water management decisions? That is not clear, and I do not think the Commonwealth has come to terms with the level of decision making that is going to be involved. It is likely, I understand, that the Commonwealth will be getting laws referred to them, but then they will be delegating to the states to make decisions. I think that is making decision making even more complex.

We come back to the issue of the CSIRO doing their assessment of catchments in order to start setting more realistic caps and deciding on overallocation. They have been given an extremely short time frame in which to make this decision. As we all know, the decision to involve the CSIRO in doing this work was made after the water summit—or the Melbourne Cup water summit, as it is commonly known—and they have been given until the end of this year to do it. It is an extremely complex area. I would suggest that the only work that they could get done in that time would be collation of the data, because that in itself is a very significant process. So how are the decisions going to be made—and by whom—on the actual data that is provided as to what is sustainable and what is not? What is a sustainable yield? How are those decisions going to be made? How will that translate into decisions made about the caps and then the caps together? What is a sustainable flow? What is an environmental flow for the Murray? That information is not clear. Of course, it will significantly impact on the outcomes and the success of the national water plan.

These issues are highly significant ones. Not one of them has been subjected to any review or scrutiny. I put to you that these issues are vital and that they need to be reviewed, particularly in the context of climate change, and that, because there is so little work being done on the impacts of climate change on our agriculture and on the interaction between our water resources and climate change, the Senate should undertake this type of review. It should look at the effectiveness of the current work being done. It should look at the effectiveness of the national water plan to deliver outcomes. Because of its rushed nature, these issues have not been adequately considered. There has not been time to adequately consider them. It was also reported during estimates that appropriate experts have not been consulted. So when will they be consulted? It is better being done up front now, while the plan is still in development—which is obviously what is happening—than in a couple of years when we have to restructure things because they got it wrong. It is time to do now.

Senator O’BRIEN (Tasmania) (6.30 pm)—Clearly, climate change poses serious challenges for all sectors of the Australian economy but particularly those sectors dependent on natural resources, such as agriculture and forestry. In the context of this motion, we need to spend some time explor-
The agriculture sector is Australia’s largest source of methane and nitrous oxide emissions. The methane emissions come from livestock and nitrogen comes from agricultural soils in the form of nitrous oxide. There are emissions from the burning of savannas and smaller contributions from manure management, rice cultivation and the field-burning of agricultural residues. The Australian Greenhouse Office estimates that methane emissions from livestock represent a loss of up to 15 per cent of potential energy that could otherwise be used for animal production. Similarly, the loss of nitrous oxide from soils represents a loss of valuable nitrogen that could otherwise be used for plant production. Reductions in agricultural emissions may lead to productivity benefits for agricultural industries and provide a win-win for agricultural production and environmental sustainability. The agricultural sector is vulnerable to the potential impacts of climate change. These impacts include: reduced rainfall; changes in temperature and atmospheric CO₂ concentrations; increased frequency of extreme weather events, such as flooding and drought; altered distribution and survival of pests and weeds; and increased risk of heat stress for intensively housed animals.

Climate change is a serious issue for rural Australia and Labor want to engage with farmers in finding solutions. We are committed to a comprehensive approach, however, not just to farmers but to dealing with climate change. We are not only considering the threats but also developing policy to capitalise on the opportunities presented by climate change. Innovation and investment must be at the heart of Australia’s response to climate change. Certainly Labor are not, as the government is, in denial over climate change. We believe the core science is beyond dispute, and that is that the planet is heating up, the icecaps are melting, sea levels are rising—and they are predicted to rise further—oceans are warming and corals are bleaching.

The farming community is concerned that climate change will produce changes in weather patterns and the distribution and intensity of rainfall. Farm leaders and rural businesses around Australia recognise that climate change poses risks and opportunities which cannot be ignored. Last night, in a speech to the Australian Industry Group, Labor leader Kevin Rudd made it clear where Labor stands on the issue of climate change. We need a plan to secure the future health of our planet. Specifically, we need a plan to protect the Australian economy and jobs, particularly in tourism and agriculture. Labor will forge a new national consensus on climate change. We will start by ratifying the Kyoto protocol, by cutting Australia’s greenhouse pollution by 60 per cent by the middle of this century, by setting up a national emissions trading regime, by substantially increasing our renewable energy target and by ensuring that Australia’s disaster mitigation plan reflects the impact of climate change. We will also convene a national climate change summit so that the best science and the best ideas can be put on the table.

I will ensure that the concerns of the agriculture sector are reflected in Labor’s solutions for climate change. In this regard, I have met with the National Farmers Federation to invite them to participate in Labor’s national climate change summit. The eco-
nomic and environmental costs of Australia not acting on climate change are huge and continue to increase under this government. Because climate change is also linked to declining rainfall and worsening drought, Labor understand that policies that tackle climate change are required to ensure that water is widely available in the future. Labor have outlined our approach to securing future supplies of water to regional Australia. Our plan is a truly national one.

At a federal level, Labor has consistently called for a national approach including: Commonwealth leadership on water; the appointment of a minister for water; the creation of a single Commonwealth water authority; the commitment of more funds for water management and efficiency programs right across Australia; the development of water trading and economic instruments to drive reform; and that the existing $2 billion Australian water fund be used on practical projects. The Prime Minister’s response in January was consistent with many of these objectives and has therefore received federal Labor’s support. Labor welcomed the government’s adoption of proposals for a minister for water, the creation of a single Commonwealth water authority and the commitment of more funds for water management and efficiency programs in rural Australia.

Labor will implement responsible long-term measures to address climate change, ensure our water integrity, protect our environment and secure Australian jobs in the agriculture industry now and in the future. We will do so in close consultation and partnership with the Australian farming community. Labor are listening to the concerns of rural Australia and our farm sector leaders. Labor want to engage with the agriculture, fishing and forestry industries and their respective leaders. Labor have an open door to the concerns of rural Australians.

In recent weeks I have heard the views of many peak farm organisations, and I want to commend them for their leadership on the issue of climate change. Specifically, I commend the National Farmers Federation, the New South Wales Farmers Association and AgForce Queensland for their open-minded approach to climate change. I would like to highlight some of the concerns of farm organisations in relation to climate change. The President of the National Farmers Federation, David Crombie, believes:

The threat of global climate change is potentially the biggest issue Australian agriculture has ever faced with reports of increasing seasonal variability and more extreme weather events...

The National Farmers Federation recognises that the dependence of the farming sector on weather conditions is paramount, but rather than throwing their hands up in despair I commend the National Farmers Federation for advocating direct and deliberate national engagement with the farming sector on this issue. Like Labor, the National Farmers Federation wants to deal with the reality of climate change and to work cooperatively with the scientific community and policy makers to identify solutions—and, of course, they would be an important part of any inquiry as proposed by the movers of this motion.

Labor agrees with the National Farmers Federation that we need a plan which actively engages the farm sector in developing solutions to the changing climate. I understand that the National Farmers Federation wants to be engaged in this debate, particularly on the issues of emissions trading, adaptation, mitigation, research and development, education and awareness. Critically, the National Farmers Federation has identified the need for an increased research effort to enable all primary industries to better plan and adapt to the changing climate. In contrast, the Howard government’s research effort on the impact of climate change on the...
Australian agricultural industry has frankly been pathetic. I will come to that in more detail in a moment.

I want to focus on the Prime Minister’s task group on emissions. It is of great concern to Labor that the Prime Minister refused to include farming interests on his national task group on emissions trading. Labor simply cannot understand why the Howard government would not want to talk with farmers about climate change. Back in December the National Farmers Federation called upon the Howard government to realise the significant contribution agriculture can make in meeting the challenge of climate change. As Mr Crombie said, this is not simply an issue for the mining, energy and transport sectors, as the government approach has been. Mr Crombie’s concerns appear to have fallen on deaf ears, frankly. I agree with Mr Crombie when he says:

“It is extremely shortsighted for the—
Prime Minister—
... to overlook agriculture, and a host of others, as part of this important taskforce.

“We fear the taskforce may be compromised before it begins, which raises questions about how seriously the Government is taking the threat of climate change.”

These are damning words from Australia’s peak farming organisation about this government. It is even more damning when you consider that the coalition government claims to be the ‘natural party’ of rural and regional Australia. Where was the minister for agriculture when the National Farmers Federation was calling on the Prime Minister to include them on his task force? I want to know what effort the minister made to engage the farming sector on climate change.

The National Farmers Federation is not the only peak farming group that is showing leadership on this issue. AgForce, the peak industry body representing the Queensland broadacre farming sector, has also been critical of the Howard government for failing to engage with them on climate change. AgForce President Peter Kenny recently said:

It is extremely disappointing that nowhere in this debate has the role of farmers been recognised.

I want to assure Queensland farmers that Labor will not leave farmers out of this debate. In particular, I look forward to meeting with AgForce and participating in its conference ‘Agriculture: a changing climate’ in Goondiwindi in July this year. At the same time I want to acknowledge the concerns of the New South Wales Farmers Association. I am aware that they are keen to get involved in the debate about climate change.

We all know that the Howard government does not have any credibility on this issue and, since climate change has recently emerged as a leading issue in the polls, none of us should be surprised if the government suddenly produces a mickey mouse plan on emissions trading. I note that Paul Kelly reports in the Australian today that Mr Howard will announce an emissions trading scheme some time in the middle of this year. If Mr Kelly’s source is correct, then it is very worrying indeed that this plan will have been developed without consultation with the Australian farming community. We should remember this: the failure of the Prime Minister to engage the farming sector on climate change discussions seriously undermines the credibility of any future emissions trading scheme he dreams up.

Again, I want to reassure the National Farmers Federation and other peak farming groups that Labor are aware of their interest in climate change, and we will be listening to their concerns. Excluding farming groups from discussions on emissions is indicative of the Prime Minister’s failure to understand, and growing contempt for, the concerns of farming families. Frankly, on this issue the
Prime Minister simply does not get it, nor does the National Party. In recent times the Howard government has become increasingly arrogant in its dealings with farming groups in rural Australia. Climate change is not the only issue on which the Howard government and the National Party have failed to adequately engage with the farming community.

Just three weeks ago we learned that the government was changing the rules on agricultural managed investment schemes. As a result, thousands of rural families have been impacted. On last night’s The 7.30 Report, we saw reports of devastated mums and dads who have already lost their jobs. A couple of weeks before the MIS announcement, Australians woke up to the news that the Prime Minister had a new so-called national plan for water. Labor have supported the broad principles of the plan but we note that there was no consultation or engagement with the farming sector on the plan, either before or since the announcement. There has been one meeting with Mr Turnbull, but I note that the National Farmers Federation came away from that meeting completely dissatisfied with the responses and remain concerned about that plan.

Of course, on top of all that, we are aware of the reports of the government’s charade consultation on the wheat marketing single desk. There is a story in all of this for us, and that is the emerging pattern of the Howard government’s arrogance and contempt for the concerns of rural and regional Australia. The government thinks that it knows best for rural Australia and is simply taking rural votes for granted.

What is the government’s record on climate change? A few weeks ago there was much fanfare around the release of the issues paper from the Prime Ministerial Task Group on Emissions Trading. I have it here. It is nine pages long. Apparently it has taken this government 11 years to prepare this to address climate change—and we have a nine-page report. This should come as no surprise to the farming sector. How many mentions of agriculture does the emissions task group report include? None. This report makes no mention of agriculture, with all of the implications of climate change to agriculture and the contribution agriculture can make to amelioration.

I have seen the debates on climate change in this chamber over recent weeks. I note that members opposite are quick to claim credibility on climate change by referring to the establishment of the Australian Greenhouse Office. Let’s take a closer look at the record of the Australian Greenhouse Office, specifically in relation to the issue of impacts and opportunities arising from climate change for the agriculture sector. In October 2004, the Australian Greenhouse Office released its Strategic Research and Development Investment Plan. The strategic plan aims to facilitate research to address the challenge of responding to the impacts of climate change on agriculture. That is commendable. But what has it achieved to date? According to the Australian Greenhouse Office website, the Howard government has provided a paltry $5.8 million in funding for agriculture related research since 2004. This averages out at a little over $1.5 million per year or $220,000 per project.

In addition to these projects, the Australian Greenhouse Office has published or part-funded a limited number of publications on the impact and opportunity of climate change on agriculture. The most recent was back in 2003—that is the most recent publication by the Australian Greenhouse Office on that issue.

The only other initiative on this topic was the release of a report late last year by the
Natural Resource Management Ministerial Council. That report was the national agricultural and climate change action plan 2006-2009. The plan recognises that agriculture can play an important role in reducing greenhouse gas emissions and providing carbon sinks. It is positive to see the government is at least making an attempt to recognise the threat that climate change presents in relation to agriculture. The action plan identified four strategies to address climate change in the agricultural sector, and these are broadly supported by Labor. One must say, of course, that this is a council which involves all of the states, so they would have to take some of the credit for it, wouldn’t they? It is also positive that the government has worked together with states and territories in that regard—one wonders who the driver was. The government should develop this action plan further to examine the potential role which agriculture can play in reducing Australia’s greenhouse gas burden.

The motion which has been moved proposes that the Senate Standing Committee on Rural and Regional Affairs and Transport examine the issue of climate change in agriculture. I think I have demonstrated a deficiency in the performance of this government in this area, which may explain why the government does not want an inquiry and why these issues would be inconvenient if illuminated by a Senate committee, even though the committee might be under the control and chairmanship of the Liberal Party. Frankly, I am sure that the farming community would welcome such an inquiry. I am absolutely certain that they would relish the opportunity to place on the public record their views as to the importance of climate change for their industry and the contribution that it could make. And what would be wrong with that? Why should this chamber not encourage the establishment of an inquiry which would welcome the views of the farming community on this critically important subject? The community have been excluded from the Prime Minister’s task group on this issue. Are they now going to be excluded from the opportunity to present their case to the Senate because the government would find it inconvenient? I suspect so, but we will wait to see what contribution is made in relation to this matter.

It is time that the government included the lead sectors of agricultural industry in their consideration of climate change. It is certainly time that they gave them more of a voice than they have been allowed to date. It is time that senators in this chamber engaged with those communities about their interests. And this committee has previously had a very positive role in such matters. This committee—or its predecessors, because it has been slightly changed; two committees merged into one—has a history of a very cooperative approach to issues such as this, in most cases arriving at unanimous reports, where perhaps the spirit of compromise, cooperation and finding a solution on the basis of the evidence was the driving factor rather than the politics of the issue. Unfortunately, if we are denied that opportunity, the opposition will come to the view that the government does not want that committee to be a cooperative committee but rather a rubber stamp for this government.

Debate interrupted.

Ordered that further consideration of the second reading of this bill be adjourned to the first day of the next period of sittings, in accordance with standing order 111.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! It being 6.50 pm, I propose the question:

That the Senate do now adjourn.
Multiculturalism

Senator MASON (Queensland) (6.50 pm)—I am here to discuss one of the most important issues facing Australia in the early 21st century, an issue that gives rise to questions of identity, values and strength of will: the question of who we are as a nation, the question of what we believe as a people and the question of whether those who sow the intellectual seeds of terrorism should be opposed or appeased. In other words, should our Australia of 2007 tolerate the intolerable in the hope of striking a bargain with evil?

The concept of multiculturalism looks really good on paper. Immigrants to Australia would be encouraged to retain their distinct cultural identities, and in response these newcomers would pledge their allegiance to the principles of Westminster democracy. But, since September 11 2001, multiculturalism has taken a beating, both at home and abroad. In Britain, the emergence of home-grown terrorism has caused a serious push for the re-evaluation of that policy. The British government for many years adopted a hands-off form of multiculturalism that allowed Muslim extremism to flourish throughout Britain.

This official attitude of ‘anything goes’ allowed an influx of fugitive radical Islamic holy warriors who were given asylum and refuge. The notorious Sheikh Omar Bakri Muhammad claimed that he lived in the United Kingdom under a ‘covenant of security’ that allowed him to pursue his radical activities as long as he did not promote violence on British soil. Until his arrest in 2004, Abu Hamza al-Masri openly preached holy war against the West from the pulpit of north London’s Finsbury Park mosque. But, after the 7-7 London bombings, Scotland Yard found clear links between word and deed at Finsbury Park. In addition to thousands of jihadi propaganda videos, police discovered a cache of weapons and forged passports in the mosque basement. The BBC reported that intelligence agencies believed al-Masri was linked to ‘dozens of terrorist plots around Europe and beyond’.

The British attempt to combat terrorism with tolerance quite literally blew up in their faces on the morning of 7 July 2005. But here it was all supposed to be different. The Australian brand of multiculturalism was intended to maintain a fine balance between sectarian rights and societal responsibilities. Minority groups would be free to follow their creeds as long as they did not contravene the values of Aussie democracy. In the event of such a conflict, the tenets of Australian multiculturalism mandated that individual rights, religious freedom and gender equity would reign supreme, but in practice this principle has eroded under the dual abrasives of political correctness and partisan calculation.

A case in point is Islamic firebrand Sheikh Taj al-Din al-Hilali, whose penchant for radical rabblerousing keeps getting him into trouble with the press. Twenty years ago, the hard men of ALP politics in New South Wales thought that al-Hilali could deliver the ethnic vote in south-west Sydney. As former Hawke immigration minister Chris Hurford describes it, they ‘believed that this would have some political influence in the particular electorates at the New South Wales state election’, so the Hawke government decided to overlook Hilali’s sordid history of incitement to racial hatred. The sheikh was granted permanent residency and, ultimately, citizenship. And now we are stuck with him, just as we are stuck with Mohammad Omran, a bin Laden groupie from Melbourne who openly teaches that 9-11 was a US conspiracy against Islam. The pied pipers of global jihad have come to Australia where they proceed upon their merry way.
Such policy mishaps, both foreign and domestic, have inflicted a major haemorrhage of popular support for multiculturalism in Australia. There is a wide public sense that this policy is losing the battle for Muslim hearts and minds to the siren song of radicalism and resentment. That belief is only reinforced by the sight of establishment Islamic leaders convening last year in Canberra to petition the Prime Minister on behalf of Hezbollah.

It is said that in politics perception is reality. The key to the clarity of any public policy is the words used to describe it, and therein lies the problem. At its core, the term ‘multiculturalism’ implicitly elevates ethnic tribalism over national commonality. It makes express reference to factionalism, without specific mention of the unifying factors that it purports to promote. It sends the message that diversity is an end unto itself, rather than just the means to an end for a better Australia. Never having read the fine print, the average Aussie punter bases his outlook on the impression created by the title of the program. Thus, this definitional ambiguity between what multiculturalism is supposed to mean and what it really means is a recipe for confusion and disharmony.

The amorphous references to the ‘rule of law’ that feature large in government policy statements on multiculturalism are equally unsatisfactory. The real question facing Western democracies is not the rule of law but rather: which law is to rule? In several European nations, Muslim leaders have begun to press for the application of sharia law to local Islamic communities. And, because sharia constitutes a distinct legal code, there is nothing in the strict definition of Australian multiculturalism that would preclude such a demand in Brunswick in Victoria or Lakemba in New South Wales. In fact, that is precisely what the radical Muslim Hizb ut-Tahrir movement did last month at its annual conference when it called for a Taliban style Islamic caliphate in Australia. I categorically reject such moral relativism. I make no apologies for my belief that one wife is better than four, and I have no hesitation about declaring that the amputation of limbs for petty theft is pure barbarism. Australian democracy is the direct descendant of the English common-law system and I unapologetically assert that Westminsterism is ethically superior to Wahhabism.

As a member of parliament I am constantly surrounded by unmemorable rhetoric and words that will not withstand the test of history. But sometimes—just sometimes—ideas can have lasting real-world consequences. We see this in the confusion that has arisen from the conceptual shortcomings of Australian multiculturalism. In the popular mind, this policy has bungled one of the preeminent social challenges of our era: the rise of radical Islam in our midst. If there is to be any chance of salvaging the positive elements of this program, then it must be, in my view, rebranded, repackaged and reformulated.

We must set aside the terminology of multiculturalism that has been compromised by fecklessness, cowardice and ineptitude. In its stead we should adopt a national compact whose title explicitly emphasises the primacy of national obligation over separatist privilege. We need a uniquely Australian compact—a compact that will clarify the standards of behaviour that are mandated by our democratic polity; a compact that will cast aside the nebulous generalities of multiculturalism; a compact that will use specific language to establish clear societal expectations, as well as penalties for their violation. A properly conceived Australian compact will constitute an important means of preventing the sort of interethnic strife that is now engulfing parts of Europe. It is the great cultural imperative of our time.
Senator POLLEY (Tasmania) (7.00 pm)—I rise to speak on a matter that is of great importance to the people of Tasmania and to all those involved in the textile, clothing and footwear industry in this country. The closure of the Blundstone boot factory in Hobart, which is moving to India and Thailand, is not only going to hit Tasmania hard; this relocation will have a resounding effect across the whole country. The factory’s closure has caused the loss of jobs for over 300 workers, which is devastating not only to Hobart but also to our Tasmanian community.

There is a growing trend, which has been facilitated and actively encouraged by the Howard government, for businesses to go offshore in their search for skilled workers at the lowest possible price. The closure of the Blundstone factory is all the more worrying because this is not the first time that a well-known Aussie company has packed up and said, ‘We’re off.’ This is a concerning trend. Do we have to move all our Aussie icons overseas? Among the brands that are Australian owned but now made overseas we have: Jockey underpants, Sunbeam kettles, Sheridan sheets, Hills hoists, Billabong, KingGee, Stubbies, Slazenger and Malvern Star—all made in China—as well as Kookaburra cricket bats, which are made in India.

Of all the industries that make up the Australian manufacturing sector, it is the textile, clothing and footwear industry that has been the hardest hit. Countries like China, India and Taiwan have an abundance of workers willing to do the same work at a much lower cost. Blundstone’s managing director, Steve Gunn, unfortunately summed it up when announcing the closure. He said: ‘I don’t believe that manufacturing in Australia is a sensible option.’ Is this really the direction that we want our manufacturing sector to take?

I realise this was not a decision that Blundstone made lightly. They have a responsibility to their shareholders and to guarantee the continuation of their product. But the Prime Minister and his government must be held accountable for the economic situation that is forcing so many companies to look abroad rather than at home. The Howard government’s tariff reductions have hit the textile, clothing and footwear industry hard. If all the companies are gone, what will be left for the workers? I do not think the Howard government have an answer for that. They have no plan for this industry. They are a tired government with no plan for the future.

Blundstone is just the latest in a series of companies that have been hit hard by the government’s agenda to lower the wages and conditions of Australian workers. We cannot ignore the fact that when closures happen, when jobs head offshore, it is the regional centres, where the majority of these factories are based, that are the hardest hit. Not only do workers lose their jobs but there is a snowballing effect within our communities.

The 300 workers who have lost their jobs as a result of Blundstone’s move will not have an easy time of it when it comes to finding other work—often it is necessary for workers to move to other areas—and neither will the 90 workers who will lose their jobs at ACL Bearing Company in Launceston as a result of a restructure announced by the company last week. Tariff reductions, price reductions, the commodities boom, currency pressures, fuel prices and the tight labour market have been blamed by General Manager Chris Brooks as reasons for the sackings. Anne Urquhart, Tasmanian state secretary of the Australian Manufacturing Workers’ Union, questioned the logic behind the...
company’s decision to slash its workforce while at the same time trying to increase its productivity. But of greater concern to the remaining workers is ACL’s inability to guarantee job security for those who are left after the retrenchments.

The recent Blundstone closure draws the question: just how long can companies like ACL continue to operate under these increasing pressures? The only choice the Howard government is offering is to head offshore. The federal government should be providing incentives for business to stay on Australian soil, to retain Australian workers, to increase the skill levels and to employ even more workers. Yet still the Howard government refuses to act, even in the face of comments like this from the chief executive of the Australian Industry Group, Heather Ridout:

... you can’t knock a Chinese person for wanting to get a job that might feed their whole family ... The Canberra Times article in which she was quoted went on to say:

Where we have got it wrong is in our failure to put sufficient emphasis on the technology that will cancel out the advantage of low-cost labour.

It is the Howard government that is effectively forcing our home-grown companies to abandon Australia. Even if you try to ignore the devastating flow-on effects that job losses through local companies closing and heading offshore have on families, on small towns and on regional and state economies, there is no denying that the benefits to the general public in encouraging our companies offshore are few and far between. Many have tried to argue that the savings made by business on the costs of labour will be passed on to consumers in the long run. There could be nothing further from the truth.

We keep hearing of the statistics that tell us that Australians are quite prepared to pay a little more for products that are Australian made. That is part of why Blundstone enjoys the popularity it does. Tradespeople across the country and others within our community know and love their ‘Blunnies’. There is no doubt that, even with the closure of its Hobart factory and the savings the company will make as a result of setting up shop in Asia, the company will continue to bank on its name and its true-blue Aussie image. Once the publicity surrounding the company’s move wears off, consumers will continue to pay high prices for a brand they know and love without necessarily realising it is no longer Australian made.

Again, all of this is by no means Blundstone’s fault. The Howard government has offered them no other option. In the wake of the announcement, there was talk of threats to urge construction workers to boycott Blundstone. This type of action will do nothing to help workers struggling within the industry. The Textile, Clothing and Footwear Union has, of course, been prominent in attempting to ensure that its workers will be looked after.

The TCFU was vocal in pushing for a federal-state plan to save some, if not all, 300 jobs at the 137-year-old Hobart factory, but the plan was unsuccessful. The TCFU national secretary, Tony Woolgar, flew in soon after the announcement was made to negotiate redundancies for workers, and the Tasmanian government’s Department of Economic Development has been active in working towards meeting the challenge of putting workers back into jobs. The issue, however, is that the situation we have seen repeated again and again will continue and other companies will follow Blundstone out of Australia until either the Howard government reassesses its trade policies or is removed from office.

Social Disadvantage

Senator SIEWERT (Western Australia) (7.07 pm)—I rise to speak tonight on issues
of fairness and to share some stories that have been brought to my attention as to how Australia has become less fair in recent times. I also want to reflect on the release this week of the *Dropping off the edge: the distribution of disadvantage in Australia* report by Professor Vinson, which was jointly supported by the Jesuit Social Services and Catholic Social Services Australia groups, and what it tells us about poverty postcodes—those areas of ongoing entrenched disadvantage, where multiple measures of social exclusion converge to create what have been described as ‘black holes’ of isolation and despair.

The main point that I wish to make about disadvantaged Australians who are falling off the edge in this time of prosperity is this: we can clearly identify a small number of suburbs, towns or postcodes which account for a significant amount of our unemployment, crime, poor health, domestic violence and despair. We know that in these hot spots this disadvantage has been entrenched for some time and has been getting worse. And we know a lot about the kinds of things that work to build resilience in our communities to ensure that young Australians growing up with disadvantage can still get a fair go.

With this insight, knowledge and experience, if we cannot improve these areas of disadvantage in our community in these so-called economic good times and so-called times of prosperity, when can we do it? I strongly believe that during the current time of plenty we as a nation should be sharing our resources to tackle disadvantage. We should be investing in the future by targeting these hot spots, building up our communities and ensuring that all Australians get a fair go. But in this country, unfortunately, this is not what is happening. We are not addressing these hot spots. We seem to be constantly divided between the haves and the have-nots. We are going further: we are punishing those who have not. I have three stories tonight which highlight what I have said and highlight the adverse impact that Welfare to Work is having on major elements of our community.

This week I received a letter, and I have had a number of phone calls as well, from a Western Australian woman with breast cancer who had been driven to despair by the callous treatment she continued to receive at the hands of Centrelink during a time of severe illness and immense personal crisis. I read this to you with her permission. It says:

Dear Rachel,

There’s a lot of promotion about breast cancer awareness, and its effects on women, and we all sympathise with these high profile women who are diagnosed and their brave battle, but I wonder how many people really spare a thought for single women, ordinary people who do battle not only with breast cancer but also with Centrelink and the Job Network.

The fact is that if you are single, working part-time or unemployed for whatever reason at the time of diagnosis, and are unable to work due to surgery and treatment ... in order to get your Newstart Allowance, you will be given a job capacity assessment ... and if it’s deemed that you are unable to work for any given time, you will be given a ‘looking for work exemption’ and be put on to ‘Newstart Incapacitated’.

As treatment for breast cancer is sometimes a long process involving various treatments, every time you submit a medical certificate you will be given a job capacity assessment ... and if it’s deemed that you are unable to work for any given time, you will be given a ‘looking for work exemption’ and be put on to ‘Newstart Incapacitated’.

I have heard of a woman who battled breast cancer, then brain cancer, whose hair had just started to grow back after chemotherapy, being assessed as being able to work X amount of hours a week, despite her medical certificate and who was told to start looking for work or lose her Newstart allowance.

Personally I have had three job capacity assessments in five months. One was after my sec-
ond round of surgery, where I was still awaiting pathology reports. I was in a large amount of pain due to auxiliary clearance, had trouble even showering and dressing ... and was assessed as being able to work 22 hours a week, despite my medical certificate. Luckily after speaking to someone else from Centrelink I was given a ‘looking for work’ exemption.

During this time I was also told by someone from Job Network that three months was more than enough time to get over breast cancer and I should just be getting on with it. I’ve recently been told by someone from CRS—that is the Commonwealth Rehabilitation Service—that breast cancer isn’t a major concern and perhaps I need counselling. (I’m awaiting follow up tests at the clinic in Perth and am naturally a little concerned.)

It can be quite distressing having to justify your illness and treatment to someone who is totally lacking in compassion and understanding towards the sort of pain, fear, anxiety and disfigurement that breast cancer patients are faced with. Let alone having to answer questions that even the medical profession doesn’t really have the answers to.

I think any woman who has gone through this journey knows how agonising it is waiting for the next lot of pathology reports or dreading further surgery or treatment ... Let alone dealing with the fact that they may not survive at all. The last thing any woman in this situation should be concerned about is how many hours a week they think they could work. There’s also a big difference between going back to your old job when you feel ready ... and having to get out there and look for work while you’re still coming to terms with your condition and recovering from treatment.

In the old days, before Mr Howard’s ‘Welfare to Work’ reforms, if you have a serious or life threatening illness you would be put onto sickness benefits for the duration of your medical certificate and be expected to do nothing more than to have your treatment and get better, or even die with at least a little dignity.

Well, that seems to be a luxury that only married women are allowed, or women who have enough money to support themselves through their illness without help from the government.

This to me is blatant discrimination.

Single women with breast cancer who need financial assistance from Centrelink aren’t chronically unemployed or ‘dole bludgers,’ and deserve to be treated with the same amount of dignity and respect as any other woman who has been diagnosed with this awful disease ... Unfortunately this is not the case.

When I see the government promoting breast cancer awareness with their high profile functions and dinners I can’t help thinking about all the brave women who are sitting through the indignity of job capacity assessments, just so that they can keep the roof over their head and pay a few bills.

Personally, I have felt devalued and degraded by every interview I have had to have, and wholeheartedly support any change to this current system that seems to go against even Mr Howard’s own description of Australia being a caring, compassionate, Christian society.

Has Australia really sunk so low that we subject women to this sort of treatment? How ridiculous that we have such an inflexible and inhuman system that subjects Australians to that sort of treatment.

I have two other examples—which unfortunately I will not be able to give due time to now—where it has become apparent that even if sole parents are meeting every criterion they need to meet for their activity test, they are still being required to turn up to Centrelink offices every two weeks. Despite the fact that they are supporting their children, meeting their job activity requirements and working, they still have to turn up to Centrelink centres to justify their benefit. I have written confirmation from DEWR on that.

Then there is the issue of the impact that the Welfare to Work so-called reform is having on Aboriginal communities. Earlier in the week I asked the Minister for Human Services if he had any ideas of what they were...
going to do about the very significant increase in the number of Aboriginal Australians who are being breached under the new Welfare to Work policy. Unfortunately, he could not answer my question. To reiterate what I said then: the number of Aboriginal people in my home state of Western Australia who were breached in the first three months of Welfare to Work was 50 out of 170. That is nearly 30 per cent, and I can tell you that Aboriginal Australians do not make up 30 per cent of the population of Western Australia. It is clear that Welfare to Work is having an unfair impact on Aboriginal Australians who are already suffering from massive disadvantage.

Those are but three examples of the impact that Welfare to Work is having. It is completely the opposite of what we should be doing. We should not be punishing people. We should be looking at how we can support the most disadvantaged in our society. We should be looking at the significant areas of disadvantage, the so-called black holes, and looking at how we can support community members, build community resilience and strengthen our communities. We should be targeting our resources at these areas of multiple disadvantage. As Professor Vinson said this morning, we should be putting in place compelling, sustained, remedial action at all levels to tackle these issues. We should have a sustained, systematic effort to address disadvantage in Australia. (Time expired)

Disaster Victim Identification

Senator PARRY (Tasmania) (7.17 pm)—I rise this evening to inform the Senate of disaster victim identification processes. I do this as I have been made aware by Senate colleagues over the last 18 months or so, and also by the public at large, of the ignorance that exists about what really happens in disaster victim identification. It is important that we as legislators and senators understand how this happens because the government contributes money towards disaster victim identification committees. In particular, $2.4 million has been allocated by the government for Emergency Management Australia to determine the physical capability needs and develop them over the next three years to provide equipment and facilities to respond to an incident involving 800 victims. I have also found that members of the public at large often think disaster victim identification is something that occurs readily and quickly, and they cannot comprehend, as indeed colleagues here cannot comprehend, the length of time it takes to determine the identity of someone involved and killed through a disaster. I would take us back to the tsunami of 2004, the Bali bombings and other incidents where there have been mass fatalities and delays in the repatriation of human remains to their loved ones.

I speak from a perspective that is unique in this chamber. I am a member of the Tasmanian Disaster Victim Identification Committee, and have been since 1996. I also speak from practical experience as a funeral director and an embalmer and as a former police officer.

The most important thing in disaster victim identification is to ensure that the deceased person is correctly identified and returned to the family that that person belongs to. People have often complained because the process takes a long time, but the reason it does take time is to ensure accuracy. That is the main aim of disaster victim identification. Often we are subjected to the television version of bodies lying in aseptic hospital settings, a sheet being removed briefly, and a relative or a person who has known the deceased person saying, ‘Yes, that’s him,’ or ‘That’s her,’ as the case may be. DVI, disaster victim identification, goes well beyond this. The pain and anguish felt by many
The response to any disaster can only be dealt with through an effective, coordinated and preplanned approach. Whilst it is not pleasant to think about Emergency Management Australia running a program to ensure that 800 people involved in a disaster could be correctly identified in a timely manner, preparation is the best thing that we can do. As a government we should be encouraging that we ensure we are prepared for all types of disasters and just hope they never happen.

The disaster victim identification plan has five phases. The phases of operation are conducted primarily by experts, usually from police and forensic circles. The first phase is the identification of the disaster victims. This is at the scene, and the scene is then treated as a major crime scene. Usually, anywhere where there are more than five fatalities in one particular incident the DVI procedure kicks in. What then usually happens is that the remains are left in situ until after the arrival of the DVI teams and the coroner, where applicable. Generally the coroner would take charge of any scene.

The scene is extensively photographed. The position of human remains is accurately recorded. The human remains are labelled, tagged, recovered and transported to the mortuary. Sometimes a base mortuary is set up; sometimes it is a fixed mortuary within an existing hospital facility. Property is very carefully collected and labelled, and the exact location of where the property was found is recorded as expeditiously as possible.

The second phase involves the mortuary. On arrival at the mortuary, the details of human remains are logged and the remains are placed in a secure area, generally a cooled area. The human remains are then examined extensively. I will not go through all the methods but they include visual, photographic, fingerprinting, radiology and odontology, and an extensive autopsy examination. Upon completion of this and an examination of any personal effects, the body is then generally released to the funeral-directing embalming teams, which can be situated in the mortuary or at another location. As a matter of interest, at the Port Arthur massacre in 1996 the bodies were handled by embalmers in the mortuary in the Royal Hobart Hospital. That was the first time that had happened in Australia's history. That saved the autopsy technicians hours upon hours of extensive suturing work, which enabled things to happen in a more fluent and timely manner.

Phase 3 is another important part of the disaster victim identification process. Whilst the above phases are being conducted, information is gathered in relation to the potential victims of the incident, including any passenger manifests, in the case of transport disasters, and completion of detailed missing person reports by police—all the information that may be incidental to the disaster or the incident. Information sought includes a full description of persons as well as a full description of jewellery, clothing, dental records, medical histories, radiographs, photographic records et cetera. That ante-mortem information retrieval stage is when the detailed analysis of all this information is collated.

Phase 4 is the reconciliation process. In this stage, the ante-mortem and post-mortem information is matched in order to effect identification of the deceased person. The coroner is informed of the results of the iden-
tification process and then usually the appropriate paperwork for release of that individual is completed.

Phase 5 is a debriefing phase where operational debriefing is conducted at the completion of any incident to address issues such as the effectiveness of the operation together with the operational health and safety issues. Effective debriefing obviously permits recommendations to be made which can improve the management of future incidents. Critical incident stress debriefing is also made available to all emergency service personnel involved in any of the incidents.

Some of the skilled professionals involved include: the coroner and the coroner’s staff; the DVI commander, who is generally a ranking police officer within the jurisdiction where the disaster occurred; police, including forensic services and criminal investigation branch detectives; medical and dental experts, including forensic pathologists, forensic odontologists, forensic technicians, radiographers and other medical experts, and maybe government and forensic laboratories and any other assistance that is deemed necessary. Other skilled professionals involved include: victim support groups; grief counsellors and other allied professionals; technical investigators, which could include, for example, the Bureau of Air Safety Investigation or other police accident investigation units; support personnel, including transport operators, state emergency services, Salvation Army, Red Cross, security, administrative staff and funeral directors and embalmers.

Appropriate training is very important and Emergency Management Australia undertakes a lot of training. However, appropriate professional training is important for anyone to handle disaster victim identification processes. It is not the most pleasant task for anyone to undertake, and I certainly commend the individuals who work within disaster victim identification processes. They complete a very important aspect of what happens in any disaster. They are quite often unrecognised and, as I have mentioned earlier, the public really do not understand the length of time it takes to correctly, accurately and respectfully identify a person involved in a disaster. If more information were circulated in relation to this there would be greater understanding. We can always understand the anxiety of relatives wishing to see their loved ones as soon as possible, but processes need to be undertaken and this process is the best possible one to ensure correct identification.

Emergency Management Australia is conducting a number of seminars around Australia concerning disaster victim identification. Federal funding through the proceeds of crime has also been able to be used to obtain licences for an approved database for each jurisdiction. This will provide a repository for all scene post-mortem, ante-mortem and reconciliation material, which will significantly speed up identification in years to come. There is an Australian disaster victim identification standards manual. It has been prepared and distributed, and should standardise procedures throughout Australia and New Zealand and enable cross-jurisdictional support from anyone who wishes to assist. (Time expired)

Senate adjourned at 7.28 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—Civil Aviation Safety Regulations—Airworthiness Directives—Part 105—AD/F2000/24—Software Integ-
rity Check and Enhanced Avionics System Upgrade [F2007L00512]*.

Migration Act—Statements under sections—
   33 [5].
   48B [45].
   351 [229].
   417 [325].

Sydney Airport Curfew Act—Dispensation Report 02/07 [2 dispensations].

Veterans’ Entitlements Act—Statements of Principles concerning—
   Acute Stress Disorder No. 33 of 2007 [F2007L00497]*.
   Acute Stress Disorder No. 34 of 2007 [F2007L00498]*.
   Cardiomyopathy No. 23 of 2007 [F2007L00487]*.
   Cardiomyopathy No. 24 of 2007 [F2007L00488]*.
   Chicken Pox No. 25 of 2007 [F2007L00489]*.
   Chicken Pox No. 26 of 2007 [F2007L00490]*.
   Familial Hypertrophic Cardiomyopathy No. 35 of 2007 [F2007L00499]*.
   Familial Hypertrophic Cardiomyopathy No. 36 of 2007 [F2007L00500]*.
   Hepatitis A No. 29 of 2007 [F2007L00493]*.
   Hepatitis A No. 30 of 2007 [F2007L00494]*.
   Hepatitis E No. 31 of 2007 [F2007L00495]*.
   Hepatitis E No. 32 of 2007 [F2007L00496]*.
   Herpes Zoster No. 27 of 2007 [F2007L00491]*.
   Herpes Zoster No. 28 of 2007 [F2007L00492]*.
   Malignant Neoplasm of the Bile Duct No. 21 of 2007 [F2007L00485]*.
   Malignant Neoplasm of the Bile Duct No. 22 of 2007 [F2007L00486]*.

* Explanatory statement tabled with legislative instrument.

Departmental and Agency Contracts
The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2006—Letters of advice—
   Communications, Information Technology and the Arts portfolio agencies.
   Industry, Tourism and Resources portfolio agencies.

Indexed Lists of Files
The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2006—Statements of compliance—
   Agriculture, Fisheries and Forestry portfolio agencies.
   Commonwealth Ombudsman.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Education, Science and Training: Grants and Payments to City View Christian Church Inc.
(Question No. 1540)

Senator O’Brien asked the Minister for Vocational and Technical Education, upon notice, on 18 January 2006:
For each financial year since 2001-02, what grants or payments has the Minister’s department, or have agencies for which the Minister is responsible, made to City View Christian Church Inc. (formerly known as Crusade Centre Inc.) based in Launceston, Tasmania.

Senator Vanstone—The answer to the honourable senator’s question is as follows:
Since 2001-02, no grants or payments have been made by the Department of Education, Science and Training or portfolio agencies to City View Christian Church Inc.

Mr Bill Lowther
(Question No. 1559)

Senator Siewert asked the Minister representing the Prime Minister, upon notice, on 23 January 2006:
With reference to a visit to Australia by Bill Lowther, a non-executive director of British Nuclear Fuels Limited: Did the Prime Minister, or anyone from the Prime Minister’s office, meet with Bill Lowther; if so: (a) what was the nature of the meeting or meetings; (b) who attended any such meeting or meetings; and (c) when did any such meetings occur.

Senator Minchin—The Prime Minister has provided the following answer to the honourable senator’s question:
There is no record of a meeting between the Prime Minister or anyone from the Prime Minister’s office and Mr Bill Lowther.

Telstra and Medibank Private: Asset Sales
(Question No. 2104)

Senator Sherry asked the Minister for Finance and Administration, upon notice, on 20 June 2006:
With reference to Budget Paper No. 1 2006-2007, p. 6-30: What is the amount of projected asset sales related expenses for each of the financial years from 2006-07 to 2009-10 for both the sale of Telstra and the sale of Medibank Private, contained in the contingency reserve.

Senator Minchin—The answer to the honourable senator’s question is as follows:
No asset sales related expenses for the sale of Telstra or the sale of Medibank Private were included in the contingency reserve for any year in the 2006-07 Budget.

Estimates Training Sessions
(Question No. 2161)

Senator O’Brien asked the Minister for Finance and Administration, upon notice, on 14 July 2006:
(1) What Senate estimates training sessions have officers of the Minister’s departments and agencies attended in the past 3 financial years, by year.

(2) For each of the past 3 financial years: (a) how many officers participated in; and (b) what was the total cost of, training for Senate estimates, by department and agency and by financial year.

(3) Where training has been provided by a private provider, what was the name of the provider and the associated cost.

Senator Minchin—The answer to the honourable senator’s question is as follows:

Department of Finance and Administration (Finance)

(1) to (3) In the past three financial years, Senior Executive Service (SES) officers and some senior managers from Finance have attended Senate Estimates witness training sessions provided by Laurie Wilson & Associates (formerly Stone Wilson Consulting). This training was offered to those SES officers and some senior managers who were expected to appear as witnesses. The number of attendees for the period in question is not readily available, however, as training was charged at a daily rate the cost of each training session remained the same regardless of the number of attendees.

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Australian Electoral Commission (AEC)

Australian Rewards Investment Alliance (ARIA)

Commonwealth Grants Commission (CGC)

Commonwealth Superannuation Administration (ComSuper)

(1) to (3) In the past three financial years, no officers from the AEC, ARIA, CGC or ComSuper have attended Senate Estimates training sessions.

Future Fund Management Agency (FFMA)

(1) to (3) The FFMA was established on 3 April 2006. Finance facilitated the provision of Senate Estimates witness training to one FFMA SES officer in the 2005-06 financial year. Details concerning this training are included in the Finance answer.

Estimates Training Sessions

(Question No. 2173)

Senator O’Brien asked the Minister representing the Minister for Education, Science and Training, upon notice, on 14 July 2006:

(1) What Senate estimates training sessions have officers of the Minister’s departments and agencies attended in the past 3 financial years, by year?

(2) For each of the past 3 financial years: (a) how many officers participated in; and (b) what was the total cost of, training for Senate estimates, by department and agency and by financial year.

(3) Where training has been provided by a private provider, what was the name of the provider and the associated cost?
Senator Brandis—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) The Learning and Development function of DEST is devolved to line areas and there is limited central collection of information relating to training activities. The following three courses, provided by the Department of the Senate and the Australian Public Service Commission, have been attended by employees of DEST and Agencies in each of the previous three financial years:

1. “The Budget and the Senate Estimates Process” - Department of the Senate
2. “Snapshot session Parliamentary committees” - Australian Public Service Commission
3. “Preparing to appear before Parliamentary Committees” - Australian Public Service Commission

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QUESTIONS ON NOTICE
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Mr Mark McMurtrie
(Question No. 2242)

Senator Chris Evans asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 21 July 2006:

With reference to the legal proceedings involving claims by Mr Mark McMurtrie against the Commonwealth:

1. What responsibility, past and present, has the department had in relation to the corporation and/or its liquidation.
2. Did the department ever provide instructions or advice to the liquidator; if so, when and what did it pertain to.
3. Has the department received any correspondence from former employees of the corporation in relation to their unpaid entitlements; if so, in each case, what was: (a) the date of receipt; (b) the name of the author; and (c) the recipient of the correspondence.
4. What was the department’s response in relation to this correspondence.
5. Has the department offered to provide any assistance; if so, what assistance has been provided to date.
QUESTIONS ON NOTICE

(6) When did the department first become aware of claims for unpaid entitlements from former employees of the corporation.

(7) When did the Minister first become aware of claims for unpaid entitlements from former employees of the corporation.

(8) What is the total amount claimed by former employees for unpaid entitlements and wages.

(9) How much of that debt has been: (a) admitted by the liquidator; and (b) rejected by the liquidator.

(10) Are all of these former employees classified as preferred creditors; if not, why.

(11) How much of those entitlements and wages have been paid out to date.

Senator Kemp—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

The Department of Families, Community Services and Indigenous Affairs understands that:
• on 14 February 2000 the Aboriginal and Torres Strait Islander Commission made a demand on Sports Aboriginal Corporation of Tasmania for $727,764;
• Sports Aboriginal Corporation of Tasmania did not make payment as demanded;
• the Aboriginal and Torres Strait Islander Commission applied to the Federal Court of Australia to wind up Sports Aboriginal Corporation of Tasmania;
• on 6 October 2000 the Federal Court of Australia appointed a Liquidator;
• the amount that the Liquidator accepts as payable to the Department of Communications, Information Technology and the Arts, as successor to the Aboriginal and Torres Strait Islander Commission, is $668,277.

The Department of Families, Community Services and Indigenous Affairs has, and has had, no responsibility in relation to Sports Aboriginal Corporation of Tasmania (In Liquidation) ICN 87 (“the Corporation”) or in relation to its liquidation.

The Corporation was incorporated under the Aboriginal Councils and Associations Act 1976 (“the ACA Act”) on 17 November 1980. The Registrar of Aboriginal Corporations has responsibility to administer the provisions of the ACA Act. The Liquidator provides six monthly reports to the Registrar but the Registrar does not have any power to issue directions to the Liquidator in respect of the winding up of the Corporation.

The Department of Families, Community Services and Indigenous Affairs has never provided instructions or advice to the Liquidator.

The Registrar of Aboriginal Corporations has never provided instructions or advice to the Liquidator. The Department of Families, Community Services and Indigenous Affairs does not maintain records from which all correspondence, directed to the Department, relating to “unpaid entitlements”, from persons claiming to be former employees of the Corporation, can be identified. However, enquiries made within the Office of Indigenous Policy Coordination have disclosed the following:

20 June 2006
Mr Rob Smith
Assistant Secretary, Communities Engagement Branch, Policy Group

20 June 2006
Mr Rob Smith
Assistant Secretary, Communities Engagement Branch, Policy Group
Since the Liquidator was appointed Mr Rob Smith has written to the Minister(s) (Ruddock, Vanstone and Brough) and the Registrar on numerous occasions about the delay in the consideration and payment of his claim for termination entitlements.

The response of the Department of Families, Community Services and Indigenous Affairs was as follows

Letter to Mr Rob Smith (dated 3 July 2006)

“Thank you for your recent telephone calls and e-mail correspondence seeking OIPC’s assistance to resolve an industrial relations matter affecting you. As we discussed, I can empathise with you about your concerns. I have read through the material you sent me and have reviewed the files here and spoken to my colleagues about the options. I am sorry to say that I have come to the conclusion that the matter is not in our jurisdiction to intervene.

I understand that you have already received responses from the different Ministers’ offices responsible for Indigenous Affairs over time indicating that the Minister was unable to intervene. This situation has not changed and as an office within the Department of Families, Community Services and Indigenous Affairs we have no jurisdiction in such matters. Consequently, although we can empathise with your predicament, there is nothing more we can do to be of any assistance.

I sincerely hope that the matter can be resolved to your satisfaction in due course.”

Mr Smith has been advised by the Registrar and the Minister(s) that they have no powers to intervene in the liquidation process, however, on each occasion, the Office of the Registrar of Aboriginal Corporations has contacted the Liquidator for a progress update to include in the reply.

In addition the Liquidator has advised the Registrar that Mr Smith was an employee of the Corporation. The amount that the Liquidator accepts as payable to him is $8,476. Part of that amount had priority, so the Liquidator paid him $4,453 in May 2003: the rest (or part of the rest) may be paid if and when unse-
cured creditors of the Corporation are paid. Mr Smith asserts that he is also owed $37,725 for overtime and meal allowance. The Liquidator does not accept this claim. The question whether this claim has any validity is being tested in the Tasmanian Industrial Commission, where Mr Smith’s proceedings are at present adjourned.

The Department of Families, Community Services and Indigenous Affairs has not offered to provide any assistance, but has referred any issues raised with it, that are the responsibility of the Liquidator, to consider or to address, to the Office of the Registrar of Aboriginal Corporations.

The Office of the Registrar of Aboriginal Corporations has not offered to provide any assistance, but has ensured that any issues raised with it that are the responsibility of the Liquidator to address have been referred to the Liquidator.

The Registrar was contacted by Mr Smith in December 2001 to advise his claim had not been paid. The Liquidator advised at that time his progress had been hampered by a lack of records and the failure of the former principals to provide information to the Liquidator.

There have been several correspondences in relation to this matter drawing the issue to the Minister’s attention. These correspondences have been responded to indicating that the Minister does not have a role in the liquidation and does not instruct the liquidator.

The Liquidator has advised that the following claims were received from employee creditors:

Wages and entitlements $107,869.78;
Superannuation $ 25,593.96;
Other Items $ 10,465.61;
TOTAL $145,929.35.

The Liquidator has advised that the following employee claims have been admitted by the Liquidator:
Priority claims $56,875.88;
Ordinary Claims $ 5,294.85;
TOTAL $62,170.73.

The Liquidator has advised that the following employee claims have been rejected by the liquidator: $37,296.37.

The Liquidator has advised that all creditors receive a priority for their debts to the extent specified in S566 of the Corporations Act 2001.

The Liquidator has advised that $47,738 has been paid out to date in relation to admitted claims for entitlements and wages.

Mr Mark McMurtrie
(Question No. 2264)

Senator Chris Evans asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 28 July 2006:

With reference to the legal proceedings involving claims by Mr Mark McMurtrie against the Commonwealth:

(1) (a) What is the total cost to the Commonwealth of this litigation up until and including the appeal in the Supreme Court of New South Wales; and (b) what is included in this cost (including costs of external legal advice, any interlocutory proceedings and related departmental expenses).

(2) From which budget were most, if not all, of these litigation costs met and can relevant items in the budget papers be specified.
(3) When did the original legal proceedings begin.

(4) When was the Commonwealth notified of the appeal.

(5) Did the Commonwealth ever seek to negotiate an act of grace payment; if so, on what dates.

(6) Did the Commonwealth ever seek to resolve the dispute via litigation alternatives, like mediation or negotiation; if so, on what dates.

(7) Was the Commonwealth ever approached to mediate or negotiate a resolution by Mr McMurtrie; if so: (a) on what dates was the Commonwealth approached; and (b) what was the Commonwealth’s response.

(8) Can the Minister confirm that Mr McMurtrie was self-represented for part of these proceedings; if so, which part of the proceedings was Mr McMurtrie self-represented.

(9) Does the Commonwealth have any special protocol for conduct in proceedings where the opponent is self-represented; if so, what does this protocol provide.

(10) What sections and departments of the Commonwealth were involved in this litigation, either through acting in the legal proceedings, providing advice or funding or administration.

Senator Kemp—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

The total cost to the Commonwealth (including ATSIC) of the litigation up to and including the appeal to the New Wales Supreme Court of Appeal is $507,749.52. This figure includes the costs of external legal advice and interlocutory proceedings in relation to the filing of the Statement of Claim.

Litigation costs were met from the administered appropriation known as “Indigenous Affairs Litigation” identified in the budget papers. Mr McMurtrie’s litigation was not separately identified.

The original Statement of Claim was issued out of the Supreme Court of New South Wales on 7 October 1999 against ATSIC and six other parties including the Commonwealth. A global figure of $33 million was claimed. Proceedings against the Commonwealth were dismissed on 16 November 2000. When ATSIC was abolished on 24 March 2005 the Commonwealth became a party to the litigation. The Commonwealth was notified of the appeal on or about 12 July 2005.

ATSIC did not seek to negotiate an Act of Grace Payment because ATSIC had no demonstrated moral obligation to provide redress to Mr McMurtrie. ATSIC did not seek to resolve the dispute by litigation alternatives as legal advice was that the matter was not suitable for mediation because the matter could not proceed unless Mr McMurtrie was granted leave to file a Further Amended Statement of Claim. Mr McMurtrie was not granted leave until 9 February 2004. Mr McMurtrie negotiated directly with the Minister and the ATSIC CEO.


The Minister was advised that he had no role to play in any civil litigation brought by an individual against ATSIC. The ATSIC Board was advised that it would be inappropriate to discuss the matter because ATSIC was a party. The CEO arranged for a meeting to be held for Mr McMurtrie to discuss allegations against ATSIC other than those which were the subject of his litigation.

Mr McMurtrie was unrepresented when he filed the first Statement of Claim. He instructed a solicitor in November 2000 who was unable to settle the Statement of Claim. He retained another solicitor in February 2001 to amend the Statement of Claim and engaged counsel to appear at the hearings to amend the Statement of Claim. Mr McMurtrie terminated the retainer in June 2003 and was unrepresented at...
Paragraph 2(f) of Appendix B to the Legal Services Directions prohibits the Commonwealth from taking advantage of a claimant who lacks the resources to litigate a legitimate claim. The conduct of ATSIC in relation to Mr McMurtrie’s lack of legal representation can be discerned from the judgment of the trial judge in the matters of McMurtrie v ATSIC (2004) NSWSC 1198 and McMurtrie v Commonwealth of Australia (2006) NSWCA 148.

Legal sections of the Aboriginal and Torres Strait Islander Commission, Aboriginal and Torres Strait Islander Services, the Attorney-General’s Department and the Australian Government Solicitor were involved in the litigation. The Department of Employment and Workplace Relations was subpoenaed on two occasions.

Wilderness Society
(Question No. 2407)

Senator Bob Brown asked the Minister for Communications, Information Technology and the Arts, upon notice, on 17 August 2006:

Has the Minister met with representatives of the Wilderness Society in the past 5 years; if so, on what dates.

Senator Coonan—The answer to the honourable senator’s question is as follows:

No.

Exclusive Brethren
(Question No. 2533)

Senator Bob Brown asked the Minister representing the Minister for Defence, upon notice, on 4 October 2006:

With reference to meetings between the Minister and representatives of the Exclusive Brethren: Has the Minister met with representatives of the Exclusive Brethren in the past 5 years: if so, in each case: (a) when was the meeting; (b) where was the meeting held; (c) who attended the meeting; and (d) what matters were discussed.

Senator Ellison—The Minister for Defence has provided the answer to the honourable senator’s question:

Since becoming Minister for Defence, I have not met with representatives of the Exclusive Brethren. I am not able to comment for previous Defence Ministers.

Exclusive Brethren
(Question No. 2552)

Senator Bob Brown asked the Minister representing the Attorney-General, upon notice, on 10 October 2006:

With reference to the claims made on the Australian Broadcasting Corporation’s Four Corners television program on 25 September 2006 that large sums of money have been illegally couriered across Australia’s borders by the Exclusive Brethren sect:

(1) What action has the Government taken to investigate these serious claims of criminal activity.

(2) Has an investigation been undertaken: (a) if so: (i) by whom, and (ii) with what terms of reference; and (b) if not, why not.

(3) Has the former Exclusive Brethren elder who made the claims been questioned; if not, why not.
(4) Has the Exclusive Brethren’s Elect Vessel or any other member been questioned; if not, why not.

Senator Ellison—The answer on behalf of the Attorney-General to the honourable senator’s question is as follows:

(1) to (4) I refer the honourable senator to the answer to Question on Notice 2553.

Exclusive Brethren
(Question No. 2553)

Senator Bob Brown asked the Minister for Justice and Customs, upon notice, on 10 October 2006:

With reference to the claims made on the Australian Broadcasting Corporation’s Four Corners television program on 25 September 2006 that large sums of money have been illegally couriered across Australia’s borders by the Exclusive Brethren sect:

(1) What action has the Government taken to investigate these serious claims of criminal activity.

(2) Has an investigation been undertaken: (a) if so: (i) by whom, and (ii) with what terms of reference; and (b) if not, why not.

(3) Has the former Exclusive Brethren elder who made the claims been questioned; if not, why not.

(4) Has the Exclusive Brethren’s Elect Vessel or any other member been questioned; if not, why not.

Senator Ellison—The answer to the honourable senator’s question is as follows:

(1) The AFP has not received a referral in relation to this matter and does not generally initiate investigations based solely on media reports.

(2) No investigation has been undertaken into the Exclusive Brethren, although an individual alleged to be associated with the sect was spoken to by police on one occasion in relation to an obligation under the Financial Transactions Reporting Act 1988. No charges were laid on that occasion.

(3) No. The AFP has not commenced an investigation into this matter.

(4) No. The AFP has not commenced an investigation into this matter.

Research Projects
(Question No. 2591)

Senator Milne asked the Minister representing the Minister for Education, Science and Training, upon notice, on 24 October 2006:

With reference to the answer to question on notice no. 1882 (Senate Hansard, 10 October 2006, p. 99):

(1) (a) In what way is the work of the Centre for Nanostructured Electromaterials related to solar energy; and (b) what proportion of its $7.3 million grant is related to solar energy.

(2) (a) In what way is the work of the Centre of Excellence for Electromaterials Science related to solar energy; and (b) what proportion of its $12 million grant is related to solar energy.

(3) (a) Why is the $8.6 million government contribution for the global minerals research program, awarded on the advice of the Australian Research Council, not included in the list of fossil fuel projects; and (b) are any other equivalent projects not listed.

Senator Brandis—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) (a) The Australian Research Council (ARC) Centre for Nanostructured Electromaterials was relinquished with effect from 1 July 2005, following the 2005 ARC Centres of Excellence application round, when the ARC Centre of Excellence for Electromaterials Science took its place. It conducted research related to solar cells.
(b) The former Centre spent on research related to solar cells an estimated 19 per cent of the $2.6 million in ARC funding allocated during the time it operated (about two years).

(2) (a) The ARC Centre of Excellence for Electromaterials Science conducts research related to plastic solar cells.

(b) The ARC Centre of Excellence for Electromaterials Science expects to spend about 16 per cent of its $12 million ARC grant on research related to plastic solar cells, over the five-year life of the Centre.

(3) (a) The project – Australian Mineral Science Research Institute: Transformation of resource-based industries through the generation and application of new technologies – was not identified in this search since its title, abstract, national or community benefit text and keywords fields did not contain any of the search terms used to identify projects for the listing.

(b) The search terms used were fossil fuel, hydrocarbon, gas, oil, coal gasification, coal liquefaction, coal utilisation, clean coal, natural gas, gas to liquid, reservoir evaluation, reforming, reformer catalysts, oil shale, and low sulphur fuels. Projects not satisfying the search criteria were not listed.

Australia Post
(Question No. 2628)

Senator Marshall asked the Minister for Communications, Information Technology and the Arts, upon notice, on 9 November 2006:

(1) What plans does Australia Post have for: (a) changing its country network processing arrangements in Victoria; and (b) the licensing of Australia Post shops in Victorian rural areas.

(2) What actions have already been undertaken by Australia Post to change its country network processing arrangements in Victoria.

(3) Does Australia Post have any plans for: (a) moving any further country postings in Victoria to the Dandenong Letters Centre; and (b) contracting out country deliveries in Victoria.

(4) Will changes by Australia Post to its Victorian country network processing arrangements result in slower rural mail delivery.

(5) Have changes by Australia Post to its Victorian country network processing arrangements resulted in job losses.

Senator Coonan—The answer to the honourable senator’s question based on information provided by Australia Post is as follows:

(1) (a) None.

(b) The Tatura PostShop is scheduled to be converted to a licensed post office in March/April 2007.

(2) In order to capitalise on the technology investment and improve efficiencies, Australia Post:

- transferred processing of some mail posted in the Gippsland region from Morwell Mail Centre to Dandenong Letters Centre (February 2006); and

- transferred processing of Friday postings from mail centres in Bendigo, Ballarat, Geelong and Seymour to Dandenong Letters Centre (June 2006).

(3) (a) No.

(b) No.

(4) No.

(5) The staff impact at Morwell Mail Centre was a reduction of 14 full-time equivalents (FTEs) positions. Dandenong Letters Centre recruited 10 permanent part-time staff at 20 hours per week (5.4
FTEs) to facilitate the revised processing. Each of the four other mail centres has reduced staffing by 2 FTEs.

Dandenong Letters Centre is still assessing the longer-term labour needs to accommodate this change and in the interim has recruited 10 Casuals on a temporary part-time basis. There have been no involuntary redundancies imposed on staff at any facility and affected staff were offered local redeployment, retraining or a voluntary redundancy package.

**Defence**

(Question No. 2641)

Senator O’Brien asked the Minister representing the Minister for Defence, upon notice, on 9 November 2006:

(1) Has the department instituted an internal costing or cost recovery system; if so: (a) what was the reason for instituting this system; and (b) can details be provided of the costs associated with instituting this system.

(2) As at 30 September 2006: (a) how many staff are there at each Australian Public Service (APS) level (including executive and senior executive level staff) by business unit, division or branch; and (b) what is the average salary of staff at each APS level (including executive and senior executive level staff) by business unit, division or branch.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) Since the late 1980s, Defence has had a system to provide support to Defence charging and cost recovery requirements. Currently, this system comprises the following elements:

- a Chief Executive Instruction, which provides Defence costing and cost recovery policy;
- a manual (FINMAN4) - the *Defence Costing Manual – Charging and Cost Recovery*), which provides current and reliable costing rates, and charges for a range of goods and services for cost recovery and identification purposes; and
- various supporting Defence processes and procedures.

(b) The current *Defence Costing Manual – Charging and Cost Recovery* is the latest version of a series of costing/charging and cost recovery manuals dating back to the late 1980s. Given the passage of time, it is not possible to provide details of the costs associated with the production of the various versions of the manual and the various supporting processes and procedures.

(2) (a) The following table details the number of APS employees in Defence and the Defence Materiel Organisation (DMO) as at 30 September 2006.

<table>
<thead>
<tr>
<th>Group</th>
<th>APS Levels 1-6</th>
<th>APS Executive Level 1-2</th>
<th>Senior Executive</th>
<th>Total APS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Defence Headquarters</td>
<td>893</td>
<td>612</td>
<td>41</td>
<td>1,546</td>
</tr>
<tr>
<td>Navy</td>
<td>629</td>
<td>158</td>
<td>1</td>
<td>788</td>
</tr>
<tr>
<td>Army</td>
<td>702</td>
<td>56</td>
<td>1</td>
<td>759</td>
</tr>
<tr>
<td>Air Force</td>
<td>799</td>
<td>138</td>
<td>1</td>
<td>938</td>
</tr>
<tr>
<td>Intelligence</td>
<td>1,406</td>
<td>553</td>
<td>20</td>
<td>1,979</td>
</tr>
<tr>
<td>Defence Science and Technology Organisation.</td>
<td>1,115</td>
<td>1,308</td>
<td>20</td>
<td>2,443</td>
</tr>
<tr>
<td>Chief Information Officer Group</td>
<td>387</td>
<td>260</td>
<td>6</td>
<td>653</td>
</tr>
<tr>
<td>Defence Support Group</td>
<td>4,411</td>
<td>568</td>
<td>14</td>
<td>4,993</td>
</tr>
<tr>
<td>Joint Logistics Group</td>
<td>784</td>
<td>52</td>
<td>0</td>
<td>836</td>
</tr>
<tr>
<td>Defence APS Total</td>
<td>11,126</td>
<td>3,705</td>
<td>104</td>
<td>14,935</td>
</tr>
</tbody>
</table>
(b) The average (fortnightly) salary of employees at each APS level (including executive and senior executive level staff) in Defence and the DMO is detailed in the following table. The information in the table is based on the average salary for full-time employees and represents the average salary as at payday 20 September 2006. The average salary has not been dissected into Group averages due to the complexity of obtaining such information.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Average Fortnightly Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS Level 1</td>
<td>1,340.60</td>
</tr>
<tr>
<td>APS Level 2</td>
<td>1,563.19</td>
</tr>
<tr>
<td>APS Level 2-3</td>
<td>1,791.98</td>
</tr>
<tr>
<td>APS Level 3</td>
<td>1,738.51</td>
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<tr>
<td>APS Level 3-4</td>
<td>1,934.98</td>
</tr>
<tr>
<td>APS Level 4</td>
<td>1,982.09</td>
</tr>
<tr>
<td>APS Level 4-5</td>
<td>2,080.38</td>
</tr>
<tr>
<td>APS Level 5</td>
<td>2,176.41</td>
</tr>
<tr>
<td>APS Level 5-6</td>
<td>2,717.76</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>3,090.48</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>3,844.19</td>
</tr>
<tr>
<td>Chief of Division 2</td>
<td>6,678.43</td>
</tr>
<tr>
<td>Chief of Division 3</td>
<td>7,901.47</td>
</tr>
<tr>
<td>Medical Officer 6</td>
<td>6,593.14</td>
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<tr>
<td>Senior Executive (Band 1)</td>
<td>5,123.65</td>
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<tr>
<td>Senior Executive (Band 2)</td>
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<tr>
<td>Senior Executive (Band 3)</td>
<td>12,352.90</td>
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<tr>
<td>Secretary of Department</td>
<td>13,835.56</td>
</tr>
<tr>
<td>Statutory Office Holder</td>
<td>8,789.29</td>
</tr>
</tbody>
</table>

**Human Services: Staffing**

*(Question No. 2855)*

Senator O’Brien asked the the Minister for Human Services, upon notice, on 28 November 2006:

With reference to the department and all agencies in the Minister’s portfolio:

(1) How many staff are engaged under a Certified Agreement (CA).

(2) How many staff are engaged under the provisions of an Australian Workplace Agreement (AWA).

(3) Does the department or portfolio agency have any staff engaged under the provisions of a common law contract; if so: (a) by level, how many staff are under these contracts; and (b) for what reason has the department or agency determined that common law contracts are preferred employment instruments over either CAs or AWAs.

Senator Ian Campbell—The answer to the honourable senator’s question is as follows:

**Core Department**

(1) There are no staff in the core department employed under a Certified Agreement.
(2) There are currently 136 staff on Australian Workplace Agreements in the core department.
(3) There are no staff employed under common law contracts in the core department.

Child Support Agency
(1) At 18 December 2006 CSA had a total of 3,456 staff engaged under a Certified Agreement (CA).
(2) At 18 December 2006, CSA had 197 staff engaged under the provisions of an Australian Workplace Agreement (AWA).
(3) No.

CRS Australia
(1) CRS Australia employs 1996 staff engaged under a Certified Agreement (CA).
(2) CRS Australia employs 90 staff engaged under the provisions of an Australian Workplace Agreement (AWA).
(3) CRS Australia employs no staff engaged under the provisions of a common law contract.

Centrelink
(1) Centrelink’s staff profile is 25,339 people (source: Centrelink’s Annual Report 2005-06).
   All staff (except for those covered by an Australian Workplace Agreement as mentioned in question two below) are covered by the Certified Agreement.
(2) As at 15 December 2006, Centrelink had 1,181 employees covered by an Australian Workplace Agreement.
(3) No.

Medicare Australia
(1) As of 30 November 2006, 5,396 employees were engaged under Medicare Australia’s Certified Agreement.
(2) As of 30 November 2006, 322 employees were engaged under the provisions of an Australian Workplace Agreement.
(3) No.

Australian Hearing
(1) Australian Hearing has 783 staff engaged under a Certified Agreement (CA).
(2) Australian Hearing has 168 staff engaged under the provisions of an Australian Workplace Agreement (AWA).
(3) Australian Hearing does not have any staff engaged under the provisions of a common law contract.

Health Services Australia
(1) There are 573 staff employed under the HSA Collective agreement 2006 – 2009;
(2) There are 19 staff employed on Australian Workplace Agreements;
(3) There are 26 staff employed under common law contracts. These staff are at the executive level. As HSA is an award free company, the HSA Board has decided that this is the most effective employment mechanism for people at this level of the company.

To prepare this answer it has taken approximately 18 hours and 30 minutes at an estimated cost of $1032.
Defence: Suicide Cases
(Question No. 2872)

Senator Mark Bishop asked the Minister representing the Minister for Defence, upon notice, on 28 November 2006:

Has the review of the seven audited cases of suicide due to be completed by July 2006 been submitted; if so: (a) can a copy be provided; (b) what are the findings and recommendations; and (c) are there any recommendations for: (i) further inquiry, or (ii) disciplinary action.

Senator Ellison—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

No, the inquiry report has not yet been submitted. The investigation into the seven cases has been more difficult than initially thought due to the passage of time, access to discharged personnel to discuss the issues and the availability of the investigating officer, who is a Reserve Officer.

Aviation: Alcohol and Other Drug Testing Regime
(Question No. 2898)

Senator Allison asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 1 December 2006:

Is it the case that the Civil Aviation Safety Authority has introduced a limit of 0.02 per cent blood alcohol level for all persons airside at airports; if so, why does this test, which is at a lower limit than that applied to road use, apply to personnel not engaged in flying aircraft.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Civil Aviation Safety Authority has not introduced a limit of 0.02 per cent blood alcohol concentration for all persons airside at airports. CASA is conducting extensive consultation within the aviation community with a view to the introduction of an Alcohol and Other Drug Testing regime to apply to all ‘safety sensitive personnel’ working airside at airports. The precise nature of this regime is yet to be determined.

Ms Schapelle Corby
(Question No. 2911)

Senator Allison asked the Minister representing the Minister for Foreign Affairs, upon notice, on 4 December 2006:

(1) Is it the case, as was reported in April 2005, that officials from the Australian Consulate-General in Bali have been active in providing full consular support to Ms Schapelle Corby including ensuring her welfare, visiting her on a regular basis, confirming she is being treated properly and ensuring she is in good health and has access to any medical treatment she requires.

(2) Is it the case as reported in the Bulletin of 21 November 2006, that Ms Corby suffers from rotting teeth and chronic diarrhoea; if so, what action has been taken to see that she receives dental and medical treatment for these conditions.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable Senator’s question:

(1) Yes.
(2) Out of respect for Ms Corby’s privacy I cannot disclose details concerning her medical conditions. I assure you, however, that my Department’s consular officers in Bali monitor Ms Corby’s health and welfare very closely and ensure she is able to access appropriate medical treatment if this is required.

**Depleted Uranium**

(Question No. 2920)

Senator Allison asked the Minister representing the Minister for Defence, upon notice, on 6 December 2006:

1. What is the total quantity of depleted uranium (DU) munitions that were expended by Allied forces in: (a) Iraq; (b) Bosnia; and (c) Afghanistan.

2. Given that microscopic particles of DU are dispersed on impact and subsequently carried by the wind, are there any parts of Iraq, Bosnia and Afghanistan where Australian Defence Force (ADF) personnel would not have come into contact with DU contamination; if so, what is the basis for this answer.

3. With reference to the January 2001 report by the Swiss Federal Institute of Technology in Spiez, that uranium 236 (U236) has particularly dangerous transuranic isotopes and has been detected in Kosovo, have any studies been done of U236 contamination in Iraq and Afghanistan; if not, is it reasonable to assume that U236 contamination exists in Iraq and Afghanistan, as well as in Bosnia.

4. With reference to the answer to question on notice no. 1631 (Senate *Hansard*, 15 October 2003, p. 16585), since March 2003: (a) have health briefings on DU been conducted for all deployments to Iraq; and (b) have there been equivalent briefings for all deployments to Afghanistan; if not, why not.

5. What health tests are routinely done on ADF personnel returning from Iraq, Bosnia and Afghanistan to check for any evidence of contamination by DU.

6. (a) What studies have been undertaken by Australian, or any other nation’s agencies, of the effects of DU munitions on Australian or Allied personnel who have served in Iraq; (b) what have been the results of these studies; and (c) can copies be provided of the reports or findings from these studies.

7. How many ADF personnel have served in: (a) Iraq; (b) Bosnia; and (c) Afghanistan.

8. How many ADF personnel have undergone post-deployment medical screening on returning from: (a) Iraq; (b) Bosnia; and (c) Afghanistan.

9. To date, what are the results of the post-deployment medical screening.

10. Are any longitudinal studies being undertaken or planned of the health of those veterans.

11. With reference to the answer to question on notice no. 1631 paragraph 6(b): (a) can details be provided of the stock of DU munitions held by the ADF; if not, why not; and (b) what happened to this stock.

12. With reference to evidence given by Air Commodore Austin at the budget estimates hearing of the Foreign Affairs Defence and Trade Legislation Committee on the 4 June 2003 (Committee *Hansard*, p. 368) in response to questions by Senator Bartlett, has the Government now received the full dataset of environmental conditions, monitoring and geospatial information for Iraq from the United States Defence Department; if so, can details be provided of the areas of DU contamination in relation to Australian troop deployment.

Senator Ellison—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

1. This is a matter for our coalition partners, and should be referred to them.
(2) It is impossible to say with certainty that airborne dispersal of microscopic particles of depleted uranium (DU) would have or would not have contaminated Australian Defence Force (ADF) personnel in Iraq, Bosnia or Afghanistan. Data on prevailing weather conditions would be needed in order to attempt a retrospective prediction, but the exercise would be speculative at best, since no scientific studies have been conducted to determine how long microscopic particles of DU can remain suspended in air. Were such data to be available, it would still be necessary to know what particle sizes were involved, what quantities became airborne, precisely where all ADF personnel were operating at all times during these deployments and the precise weather conditions at all times. Due to the unavailability of most of this data, exposure or non-exposure of ADF personnel can be neither confirmed nor ruled out with certainty.

(3) U236 is a synthetic isotope, formed in nuclear reactors and not generally found in natural uranium. In 2001 and 2003, the United Nations Environment Program in the Balkans confirmed that trace amounts of U-236 were found in seven penetrators retrieved from Kosovo. The U-236 was subsequently found to be a contaminant in the chemical processing plant from previous recycling of reactor fuel. Defence is unaware of any similar studies into U-236 in Iraq or Afghanistan, but it would be reasonable to assume that any DU munitions or armour that came from the same processing plant(s) might have been similarly contaminated.

(4) (a) Yes.
   (b) Yes.

(5) Post-deployment health surveys are conducted to determine whether any ADF personnel might have been exposed to DU, either by proximity to an actual explosion, or by direct contact with a destroyed target. Urinary screening for DU is offered to all ADF personnel returning from the Middle East Area of Operations (MEAO). However, it is not mandatory because no ADF personnel have yet met the criteria for elevated risk of exposure. To date, over 120 personnel have undergone voluntary urinary screening and all results have been well within normal limits.

(6) (a) There have been no Australian studies into the effects of DU on ADF or allied troops, as it is not considered to have posed a significant health risk to our personnel. Defence has not been provided with official copies of any reports from other nations.
   (b) and (c) Not applicable.

(7) (a) and (c) Since 2003, approximately 10,600 ADF personnel have been force assigned to the MEAO for Operations Catalyst (Iraq) and Slipper (Afghanistan), but the precise breakdown between the countries is not currently available.
   (b) Since 2003, approximately 75.

(8) (a), (b) and (c) It is ADF policy to provide post-deployment medical screening to all personnel on their return from Iraq, Bosnia and Afghanistan.

(9) It is not possible to provide information on all of the results of all post-deployment screenings without conducting a manual audit of all individual medical records. However, results for DU screening are maintained separately and have shown no abnormalities in returned personnel.

(10) The Centre for Military and Veterans Health is undertaking, or plans to undertake, several long-term studies into the health of ADF members who have served in East Timor, Bougainville, the MEAO (including Iraq and Afghanistan) and the Solomon Islands. DU will be one of the potential exposures that will be addressed in the MEAO study. At present, there are no plans to carry out longitudinal studies into those who served in Bosnia.

(11) (a) Yes. The only DU munitions used by the ADF were the shells for the Navy’s Phalanx Close-In Weapons System, mounted on the guided missile frigates. Australia began replacing Phalanx DU penetrators with tungsten penetrators in the mid-1980s and phase out was completed by the mid-1990s.
Australia’s entire stock of DU munitions was expended at sea during training exercises against towed aerial targets.

Finance and Administration: Vehicles
(Question No. 2924)

Senator O’Brien asked the Minister for Finance and Administration, upon notice, on 7 December 2006:

With reference to accidents involving motor vehicles leased or owned by the department for the department’s use or for use by other departments or government agencies, for each of the financial years 2004-05 and 2005-06, what was the: (a) make; (b) model; (c) year of manufacture; and (d) safety rating under the Australian New Car Assessment Program, for vehicles involved in accidents causing the death or injury requiring hospitalisation of government employees.

Senator Minchin—The answer to the honourable senator’s question is as follows:

The Department of Finance and Administration retains records of motor vehicle insurance claims relating to accidents involving the Government’s leased vehicle fleet. These records do not include whether there was an injury to the driver.

Comcare retains records relating to claims from Commonwealth employees who have been killed or injured in motor vehicle accidents while working or travelling to/from work. These records do not, however, include vehicle type, vehicle registration number or whether the vehicle was leased or owned by the Commonwealth.

Having regard to the above, Finance is not able to answer the question.

North Atlantic Treaty Organisation
(Question No. 2948)

Senator Allison asked the Minister representing the Minister for Defence, upon notice, on 15 December 2006:

(1) Does Australia intend to expand its relationship with the North Atlantic Treaty Organisation (NATO).

(2) Does the Government support the NATO policy of: (a) nuclear first strike; and (b) nuclear sharing.

Senator Ellison—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) While Australia’s priorities remain in our immediate region, Australia is interested in developing a closer working relationship with NATO. Australia is keen to develop practical cooperation with NATO to strengthen the effectiveness and breadth of our response to the mutual threats of weapons of mass destruction, terrorism and failed states.

(2) (a) NATO does not follow a nuclear first strike policy.

(b) Australia is not a member of NATO, and the Government has not taken a position on the issue of nuclear sharing in NATO.

Redeemer Baptist School
(Question No. 2956)

Senator Nettle asked the Minister representing the Minister for Education, Science and Training, upon notice, on 2 January 2007:
For each of the years since 1980, how much funding has the Commonwealth Government given to Redeemer Baptist School, North Parramatta and Castle Hill, New South Wales as: (a) recurrent grants; (b) capital funding; and (c) any other form of grant.

Senator Brandis—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(a) Commonwealth Government funding given to Redeemer Baptist School as general recurrent grants since 1980 is detailed in the following table:

<table>
<thead>
<tr>
<th>Programme Year</th>
<th>GRG Annual Entitlement $</th>
<th>Students with Disabilities Annual Entitlement $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>82,838</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>162,724</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>285,245</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>301,729</td>
<td></td>
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<tr>
<td>1987</td>
<td>356,044</td>
<td></td>
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<tr>
<td>1988</td>
<td>424,713</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>498,486</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>536,848</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>514,002</td>
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</tr>
<tr>
<td>1992</td>
<td>520,175</td>
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<td>1993</td>
<td>584,874</td>
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<td>1994</td>
<td>628,461</td>
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<td>1995</td>
<td>640,484</td>
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<td>1,398,139</td>
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<td>2004</td>
<td>1,534,796</td>
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<td>2005</td>
<td>1,412,563</td>
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</tr>
<tr>
<td>2006</td>
<td>1,401,092</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1,401,092*</td>
<td></td>
</tr>
</tbody>
</table>

* This figure is the estimated entitlement for 2007 based on the initial rates and the 2006 census enrolments.

(b) Since 1980, Commonwealth Government funding given to Redeemer Baptist School, North Parramatta, as Capital Grant Programme funding consists of funding of $400,000 provided in the 1998 Programme Year for the construction of two science laboratories, computer room, food technology room, combined wood/metal work area, fees, site development, fire services, furniture and equipment and on-costs.

(c) The only other form of funding that can be identified for Redeemer Baptist School since 1980 is $74,970 for one Investing in Our Schools Programme (IOSP) project approved in 2006 for the North Parramatta campus to upgrade the school’s electrical wiring.
### Electric Vehicles
(Question No. 2961)

Senator Allison asked the Minister representing the Minister for Local Government, Territories and Roads, upon notice, on 15 January 2007:

1. For each of the years 2004, 2005, 2006 and 2007 to date, how many electric vehicles were:
   a. imported into Australia; and
   b. manufactured in Australia.
2. What efforts, if any, have been made by the Government to encourage the importation or manufacture of electric vehicles in Australia.
3. For the years 2004, 2005, 2006 and 2007 to date, can details be provided of:
   a. any applications made by electric vehicle designers and/or manufacturers to change the Australian Design Rules (ADR); and
   b. the decisions by the Government or the Australian Motor Vehicle Certification Board in relation to such applications.
4. Are the ADRs more stringent than those that apply in Norway, London or India; if so, is this a barrier to the availability of electric cars to Australian motorists.

Senator Ian Campbell—The Minister for Local Government, Territories and Roads has provided the following answer to the honourable senator’s question:

1. a. The records held by the Department of Transport and Regional Services do not allow the easy differentiation between electric and internal combustion engine equipped vehicles.
   b. The Department of Transport and Regional Services does not compile information on numbers of Australian manufactured electric vehicles.
2. The Government administers legislation that provides for the importation and manufacture of vehicles that meet minimum safety and emission standards. The legislation requires all vehicles to meet applicable standards regardless of power source.
3. In 2005 the importer of an electric vehicle made representations for the adoption of a new vehicle category known as “Heavy Quadricycle” for low mass, low powered, four-wheeled vehicles. The Ministers for Transport in each of the States and Territories were consulted on the proposal to adopt the new vehicle category. The change was not generally supported as the introduction of such a category would degrade the occupant protection standards that the Australian public has come to expect in passenger vehicles. No move has been made to adopt the new category.
4. The Department of Transport and Regional Services is unaware of the vehicle safety standards applicable in India. London, as the capital of the United Kingdom, applies those vehicle standards established by the European Union, known as EU Directives. The Department understands that Norway in the main applies the EU Directives. The EU Directives and the ADRs are similar. However, there are some ADRs without equivalent EU Directives, and there are some requirements applied in the EU that are not applied in Australia.

### United Nations Resolution 1737
(Question No. 2962)

Senator Allison asked the Minister representing the Minister for Foreign Affairs, upon notice, on 15 January 2007:

With reference to the implementation of United Nations (UN) resolution 1737 passed with Australia’s support on 23 December 2006, what are the changes that will be required to be made to current practice in order for Australia to comply with:
(a) The ban on the provision of assistance and the sale, transfer or procurement of certain military and dual-use items related to Iran’s uranium enrichment and reprocessing activities and ballistic missile program; and
(b) Measures in relation to travel and an assets freeze on persons or entities designated by the UN Security Council as providing support to proliferation sensitive nuclear activities and the development of nuclear weapon delivery systems.

Senator Coonan—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:
(a) Australia already has mechanisms in place to control the export from Australia of military and dual-use items set out in UN Security Council Resolution 1737 (2006). The export of such items is prohibited under Regulation 13E of the Customs (Prohibited Exports) Regulations 1958 without the permission of the Minister for Defence. I have written to the Minister for Defence requesting that he exercise his authority under these Regulations to refuse applications to export prohibited goods to Iran. Further, my department has requested the Attorney-General’s Department to draft new regulations under the Charter of the United Nations Act 1945 to implement Resolution 1737, including export prohibitions and related assistance. These Regulations will apply to Australian nationals overseas.
(b) Resolution 1737 imposes financial sanctions on persons and entities listed in the Annex to the Resolution or designated from time to time by the Security Council or the sanctions committee established by the Resolution (the Iran Sanctions Committee). The new regulations under the Charter of the United Nations Act 1945 will prohibit financial dealings with designated persons and entities.
Resolution 1737 does not prohibit the entry into, or transit through, Australian territory of designated persons. The Resolution requires states to exercise vigilance in respect of such travel by designated persons and report travel in their territory to the Iran Sanctions Committee. The persons listed in the Annex to the Resolution have been entered onto the Department of Immigration and Citizenship’s (DIAC) Movement Alert List (MAL) and DIAC will inform my department should a designated person apply for a visa or be found to hold a visa. I will then make a determination as to whether the person’s presence in Australia would be contrary to Australia’s foreign policy interests or the person is associated with the proliferation of weapons of mass destruction. If such a determination is made, DIAC will refuse to grant or will cancel the visa in accordance with the provisions of the Migration Act 1958 and the Migration Regulations 1994. Should a designated person be granted a visa to enter Australia, the Iran Sanctions Committee will be notified in accordance with Resolution 1737.

Biofuels Action Plan
(Question No. 2965)

Senator Allison asked the Minister representing the Minister for Industry, Tourism and Resources, upon notice, on 17 January 2007:
(1) Can details be provided of the progress, made by each petrol company operating in Australia, to reach the Biofuels Action Plan targets as at 31 December 2006?
(2) What action, if any, is proposed to be taken against those petrol companies that did not meet their target?
(3) Can lists be provided of service stations where: (a) ethanol; and (b) biofuel blended fuels, are being made available.

Senator Minchin—The Minister for Industry, Tourism and Resources has provided the following answer to the honourable senator’s question:
(1) Information provided to the Government is supplied on a commercial-in-confidence basis. Some companies have chosen to release publicly their progress against their individual action plans.

(2) The target that the Government has set is 350 million litres of biofuels by 2010. The six monthly review conducted in mid 2006 indicated that industry was on track to meet the 2006 projections that were outlined in the Biofuels Action Plan.

(3) Details on service stations supplying biofuels are available from individual companies.