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SITTING DAYS—2007

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- **SYDNEY** 630 AM
- **NEWCASTLE** 1458 AM
- **GOSFORD** 98.1 FM
- **BRISBANE** 936 AM
- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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
Nationalals Whip—Senator Fiona Joy Nash
Opposition Whips—Senators George Campbell, Linda Jean Kirk and Ruth Stephanie Webber
Australian Democrats Whip—Senator Andrew John Julian Bartlett
Australian Greens Whip—Senator Rachel Siewert

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

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

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

Prime Minister
The Hon. John Winston Howard MP

Minister for Transport and Regional Services and
Deputy Prime Minister
The Hon. Mark Anthony James Vaile MP

Treasurer
The Hon. Peter Howard Costello MP

Minister for Trade
The Hon. Warren Errol Truss MP

Minister for Defence
The Hon. Dr Brendan John Nelson MP

Minister for Foreign Affairs
The Hon. Alexander John Gosse Downer MP

Minister for Health and Ageing and Leader of the
House
The Hon. Anthony John Abbott MP

Attorney-General
The Hon. Philip Maxwell Ruddock MP

Minister for Finance and Administration, Leader
of the Government in the Senate and Vice-
President of the Executive Council
Senator the Hon. Nicholas Hugh Minchin

Minister for Agriculture, Fisheries and Forestry
and Deputy Leader of the House
The Hon. Peter John McGauran MP

Minister for Immigration and Citizenship
The Hon. Kevin James Andrews MP

Minister for Education, Science and Training and
Minister Assisting the Prime Minister for
Women’s Issues
The Hon. Julie Isabel Bishop MP

Minister for Families, Community Services and
Indigenous Affairs and Minister Assisting the
Prime Minister for Indigenous Affairs
The Hon. Malcolm Thomas Brough MP

Minister for Industry, Tourism and Resources
The Hon. Ian Elgin Macfarlane MP

Minister for Employment and Workplace Rela-
tions and Minister Assisting the Prime Minister
for the Public Service
The Hon. Joseph Benedict Hockey MP

Minister for Communications, Information Tech-
nology and the Arts and Deputy Leader of the
Government in the Senate
Senator the Hon. Helen Lloyd Coonan

Minister for the Environment and Water Re-
sources
The Hon. Malcolm Bligh Turnbull MP

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

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

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<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<tr>
<td>Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<tr>
<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
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<tr>
<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
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<td>Minister for Ageing</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
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<td>Minister for Vocational and Further Education</td>
<td>The Hon. Andrew John Robb MP</td>
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<td>The Hon. John Kenneth Cobb MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Anthony David Hawthorn Smith MP</td>
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<td>Julia Eileen Gillard MP</td>
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<td>Leader of the Opposition in the Senate and Shadow Minister for</td>
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Robert Francis McMullan MP

Shadow Minister for Primary Industries, Fisheries and Forestry

Senator Kerry Williams Kelso O’Brien

Shadow Minister for Human Services, Shadow Minister for Housing, Shadow Minister for Youth and Shadow Minister for Women

Tanya Joan Plibersek MP

Shadow Minister for Health

Nicola Louise Roxon MP

Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services

Senator the Hon. Nicholas John Sherry

Shadow Minister for Education and Training

Stephen Francis Smith MP

Shadow Treasurer

Wayne Maxwell Swan MP

Shadow Minister for Finance

Lindsay James Tanner MP

Shadow Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation

Senator Penelope Ying Yen Wong

Shadow Parliamentary Secretary for Foreign Affairs

Anthony Michael Byrne MP

Shadow Parliamentary Secretary for Defence and Veterans’ Affairs

The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Environment and Heritage

Jennie George MP

Shadow Parliamentary Secretary for Treasury

Catherine Fiona King MP

Shadow Parliamentary Secretary for Education

Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary to the Leader of the Opposition

John Paul Murphy MP

Shadow Parliamentary Secretary for Industrial Relations

Brendan Patrick John O’Connor MP

Shadow Parliamentary Secretary for Industry and Innovation

Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs

The Hon. Warren Edward Snowdon MP

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)

Senator Ursula Mary Stephens
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Tuesday, 20 March 2007

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

BUSINESS

Rearrangement

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (12.31 pm)—by leave—I move:

That question time today commence at 2.45 pm.

Question agreed to.

YOGYAKARTA AIRLINE CRASH

Senator MINCHIN (South Australia—Leader of the Government in the Senate) (12.31 pm)—by leave—I move:

That the Senate:

(a) records its deep regret at the tragic loss of life and serious injuries that resulted from the aircraft accident in Yogyakarta, Indonesia, on 7 March 2007;

(b) notes that amongst the killed and injured were Australians serving their nation, working for the Australian Federal Police, the Australian Defence Forces, the Department of Foreign Affairs, AusAID and as journalists; and

(c) expresses its sincere condolences, together with all Australians, to the families and loved ones of the five Australians and others who died and wishes those injured an early recovery.

It is with heartfelt sadness that I rise on behalf of the government to offer sincere condolences to the families of those five Australians killed in the Garuda flight crash in Indonesia. I also extend on behalf of the government and all senators best wishes to those injured and those recovering from their injuries.

The five Australians who died in this terrible accident were the journalist for the Australian Financial Review, Morgan Mellish; Elizabeth O’Neill from the Department of Foreign Affairs and Trade, serving as the public affairs officer and information officer of the Australian embassy in Jakarta; AFP officers Mark Scott and Brice Steele, who were posted at the embassy; and Allison Sudradjat, the head of AusAID in Indonesia. These individuals were all serving the Australian people in some capacity or other and all are remembered for their professionalism and their commitment to their work.

Four of the victims were associated with our embassy in Jakarta and our sympathy is extended particularly to the other embassy staff at their time of grief. That embassy has endured an enormous amount over the past few years, including the two Bali bombings and the embassy itself being bombed in 2004. The embassy’s resilience under such tragic circumstances should make every Australian proud.

The professionalism and dedication of these Australian victims was noted by Indonesian President Yudhoyono, in a letter to our Prime Minister, in the days following the tragedy. Their significant contributions to bilateral relations between our two countries were commended by the President of Indonesia. Their loss leaves an enormous gap in the lives of their loved ones and at our embassy in Jakarta.

I note that Morgan Mellish was known to many of us. Indeed, he interviewed me on several occasions. His death reminds us of the dangers that professional journalists face in serving the cause of informing the Australian public of domestic and international events. Theirs is a more dangerous profession than most, and we respect them for their often selfless dedication to their important role in our democracy. My own brother, Will Minchin, was a very close friend of Morgan for some 18 years since they met when
studying and residing together here in Canberra at the ANU. So Morgan’s death has also affected my own family.

Many people here in Canberra have been saddened by the loss of their work colleagues and friends. We acknowledge the professionalism and courage of those who had terrible jobs to do in the aftermath of the tragedy, particularly when they had also lost friends and colleagues. I want to record my particular sympathies for my good friend and ministerial colleague Alexander Downer, for whom this must have been a heartbreaking occasion.

We also remember the many Indonesians who lost their lives in this tragic accident and we convey our sympathies to their families. On behalf of the government I extend our sincere gratitude to the Indonesian authorities for their cooperation and assistance in these difficult circumstances. Their response is greatly appreciated by the Australian government. In conclusion, I again convey our deepest condolences to the families of the victims. Our thoughts are with their families, friends and work colleagues at this tragic time.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (12.35 pm)—On behalf of the Labor opposition I seek to support Senator Minchin’s condolence motion. I find myself in the position of having to do far too many of these condolence motions in recent times. The crash of Garuda flight 200 at Yogyakarta airport on 7 March is another occasion for which the parliament has to express condolence, to the family and friends of the 21 people killed. Among those 21 people were five Australians but our concern and condolences go out to all of those affected.

In addition to the five Australians who were killed, others survived the crash but many are seriously injured and we wish them full recoveries and hope that they get over what have been, in many cases, quite horrific injuries. I would like to extend condolences to the families and loved ones of the five Australians killed in the terrible accident.

It is a tragedy that has hit the Parliament House community very hard. Outsiders who watch question time would be hard pressed to see that there is a community in Parliament House. The cut and thrust of question time leaves people with the impression that there is not a sense of personal relationships around the building but politicians, staff of the parliament and journalists all work in the building and all interact. Those who were lost in this tragedy were known to many of the inhabitants of Parliament House.

We also extend our sympathies to the embassy staff, Defence and the AFP, who interact closely with us and interacted closely with those who lost their lives. I would like to support Senator Minchin’s remarks about the Indonesian embassy. The staff of that embassy have been through an awful lot in recent times. They have continued to serve Australia with distinction and show a resilience that is quite remarkable. Certainly I extend our congratulations for that effort. But our sympathy for having to survive yet another tragedy is extended to all of them.

Morgan Mellish, as Senator Minchin said, was a Fairfax journalist based in Indonesia but well known in the press gallery here. He was obviously well loved and well respected. I know that the parliamentary press gallery has been particularly hard hit by the loss of Morgan. Laura Tingle’s tribute to her colleagues on television was an extraordinarily moving statement and I think it captured the shock and grief of not only the parliamentary press gallery but also the whole parliamentary community.

Elizabeth O’Neill was the counsellor for public affairs at the Australian embassy in
Jakarta and distinguished herself during the response to the Bali bombings in 2002. She became well known to many in government and in the parliament. She was very highly regarded. She was awarded the Medal of the Order of Australia for her work at that time. I know that her passing is mourned by many.

Two officers of the Australian Federal Police were also killed, highlighting again the dangerous nature of the work that the AFP does on our behalf. They were Federal Agent Mark Scott and Federal Agent Brice Steele. I note that AFP Commissioner Mick Keelty recognised and paid tribute to the exemplary service of agents Steele and Scott when they served both here and overseas. As parliamentarians we rely on AFP officers when we travel internationally. We get to know them and understand their commitment and professionalism. Our condolences go out to all AFP officers and the families and friends of those who lost their lives.

Allison Sudradjat was AusAID’s most senior official in Indonesia and led Australia’s aid program there. She was dedicated to her work and had an extraordinary record of achievement throughout her service in Indonesia and PNG. The outpouring of grief and respect both in Indonesia and Australia I think was a tribute to the regard in which she was held. All five of the Australians were killed whilst in some way serving the Australian community, so I think that the parliament and the Australian community owe them a great debt. They lost their lives as part of their contribution to our community. Once again, I extend our condolences to their families.

I think Minister Downer’s obvious distress in that terrible situation—and his knowledge of the people and his closeness to a number of them—reflected the reaction of all members of parliament. I offer him our sympathies given that it was obviously a terrible situation with which he had to deal.

I also think it is important that we remember the many other people who were killed in the terrible accident and send our condolences and sincere wishes to their families. Indonesia has had more than its fair share of tragedy in recent years, with terrorist attacks, the tsunami and a whole range of other events. We send our condolences to all of those affected in Indonesia.

I am also conscious of the other Australians who survived the disaster and who are recovering from their injuries. In particular, best wishes to Cynthia Banham, who I know is fondly regarded by the parliamentary community and whose battle with her very serious injuries is followed closely by many of us. We wish her a strong and successful recovery from what has been a terrible ordeal.

We also want to acknowledge the work of the many Australian personnel who have been involved in responding to the tragedy—Defence Force personnel, AFP personnel, medical people back in Australia and federal public servants as well. They have all contributed to making the best of this terrible situation.

As I said, we have been called upon to move condolence motions in this place far too often of late. It is a sad reflection, perhaps, of our times. But this was obviously just one of those terrible accidents. I would like to reiterate our concern for the families and friends, offer our condolences and hope that those who have been injured make a quick and speedy recovery.

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (12.42 pm)—I join the Leader of the Government in the Senate and the Leader of the Opposition in the Senate in speaking on the condolence motion for those who were killed...
On 7 March. On Wednesday, 7 March, Australia lost five remarkable people in an air crash at Yogyakarta airport. All had been serving their country at the time of the crash.

The five Australians included two Australian Federal Police officers, Mark Scott and Brice Steele. They were dedicated, skilled and highly respected police officers. Brice Steele was one of Australia’s leading counterterrorism experts and headed the AFP office in Jakarta. He was fluent in several Chinese dialects and was an expert on the Indonesian extremist group Jemaah Islamiyah. He was one of the youngest agents ever promoted to the AFP’s executive service. He was on his way to a terrorism conference to be chaired by Minister for Foreign Affairs, Alexander Downer, when the plane crash occurred. Brice Steele is survived by his wife, Kellie, who is also a member of the Australian Federal Police.

Mark Scott was a decorated federal agent. He was the leader of the regional engagement team in Indonesia and was working closely with the Indonesian national police on counterterrorism. Mark Scott had worked for community police stations at Tuggeranong and Woden here in Canberra and was well known throughout the service. Mark leaves behind his wife, Sally, and three children. Both officers had dedicated much of their careers to working offshore and were passionate about protecting Australia as well as our neighbouring countries.

Allison Sudradjat was a mother, humanitarian, aid worker and diplomat who worked for AusAID leading Australia’s Indonesian aid program. She was one of Australia’s most capable and dedicated aid workers. She was indispensable in directing Australia’s $1 billion tsunami aid effort. She was on her way to Yogyakarta as part of the official Australian government party when the plane crashed. Allison is survived by her husband, Ris, and four children, Jamila, Imran, Zaini and Yasmin. Australian diplomat Elizabeth O’Neill leaves behind her nine-month old daughter Lucinda and her husband Wayne Adams. Ms O’Neill was the Australian Embassy’s public face in Indonesia during tragic times. She was awarded an Order of Australia for her work after the first Bali bombings in 2002.

Morgan Mellish was an award-winning journalist with the *Australian Financial Review*. He was living in Indonesia as a foreign correspondent. We knew him here and respected him. He won a Walkley award in business journalism. He also loved surfing and sailing. He sailed in the Sydney to Hobart yacht race in 1998 when rough seas nearly wiped out the whole race; it killed six people and forced the rescue of 55. He will be missed by his family: sisters Caroline and Lucy Mellish, parents Peter and Dawn Mellish, and his partner Nila Tanzil.

Each of these five brought gifts from Australia to the world in aid, in communication and in international policing. Each left our shores voluntarily to make these gifts, to personally be the gift. Involuntarily they returned. We think of the pain in the hearts of their families and friends throughout the world. We wish there were words of comfort when there are no words for the death of the young and the brave. Australia is proud of them. All had in common a reaching out to others, a refusal to sit at home and do nothing. Each had a professional job to do that pivoted on being Australian in a challenging world. They went out, willing and talented; they came home too early, under our flag. On behalf of The Nationals I would like to offer my deepest condolences to the families and friends of these five Australians. I also would like to extend my sympathies to the families.
of the other 17 people who lost their lives in this air crash.

**Senator ALLISON** (Victoria—Leader of the Australian Democrats) (12.47 pm)—On behalf of my Australian Democrats colleagues, I support this motion and extend our deepest sympathies to the families and friends of the five Australians killed in the plane crash on 7 March when a Garuda 737-400 plane overshot the runway at Yogyakarta by 100 metres, smashing into a high concrete median strip and coming to land in a rice paddy, where it burst into flames.

This is a terrible tragedy and an enormous loss to our country. Brice Steele, an Australian Federal Police commander, and Mark Scott, also an AFP counterterrorism officer, were killed serving their country. Allison Sudradjat, our AusAID chief in Indonesia, was described by AusAID’s global programs deputy director as one of the most dedicated people she had ever met. Liz O’Neill, our Jakarta embassy spokesperson, was known to many members of parliament, my colleagues included, and she is widely and rightly praised for her grasp of the issues there and her professionalism in public affairs. I know that she was a great help to one of my colleagues, Senator Stott Despoja, who had the pleasure of spending time with her and was assisted by her recently.

Morgan Mellish, award-winning Australian Financial Review journalist, was based in Jakarta and covering Mr Downer’s Indonesian visit for a conference on terrorism. On the day of his death, an article by Morgan Mellish was published. He wrote:

Many Australians remain worried about traveling to the world’s most populous Muslim nation—and there’s no doubt extremists are still at large and planning havoc—but in Jakarta this week, politicians and experts have felt free to at least contemplate the possibility of a more peaceful future.

I think we can take heart from those words of his.

Our hearts also go out to the two Australians who were injured in the crash. They have come through an horrific experience. Roger Tallboys is, we understand, improving in a Singapore hospital. He is out of intensive care and reported to be progressing well after surgery. Cynthia Banham is a fine journalist who most people in this place will know. She is with the *Sydney Morning Herald*. With enormous strength and determination, she pulled herself clear of the burning wreckage and is still fighting for her life in the burns unit in the Royal Perth Hospital. As her partner, Michael Harvey, who we also know very well, said, her fitness and strength will play a big part in her ability to survive. We are thinking of you, Cynthia, and we hope that you will pull through.

Twenty-one people altogether were killed, and we extend our sympathies to their families. Miraculously, 119 people survived the crash, exiting the plane while it was being engulfed in flames. Sixty-two people were treated in local hospitals for injuries. This tragedy draws attention to the importance of air safety and the dangerous circumstances which journalists and those men and women of the diplomatic and police services face by virtue of their travel in difficult circumstances. I also want to acknowledge the efforts of the Indonesians in recovering the remains. I hope that the inquiry into what happened in that crash discovers the cause and that such accidents can be avoided in the future.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (12.51 pm)—On behalf of Family First, I support this condolence motion. The most precious people in our lives are our families, and Family First extends its deepest condolences to the families of the five Australians killed in the air-
line crash in Yogyakarta on 7 March. Our thoughts are especially with Liz O’Neill’s husband, Wayne Adams, and his baby daughter, Lucinda; Agent Mark Scott’s wife, Sally, and the couple’s three children, James, Stephanie and Emily; Agent Brice Steele’s wife, Kellie; the parents of Morgan Mellish, Dawn and Peter, and Morgan’s sisters, Caroline and Lucy; and Allison Sudradjat’s husband, Ris, and their children Jamila, Imran, Zaini and Yasmin. There are no ties that bind as strongly as family ties and it is these people—the husbands, wives, children, parents and siblings—who grieve the most and whom we think of today.

Senators are regular air travellers. Some of us hop on and off planes the way many people hop on and off a train or a bus. It is part of the job. But I am sure that I and other senators since the tragedy have sat on a plane thinking of our own families and our loved ones and the remote possibility that we may not see them again. After all, despite the increased risk of flying in Indonesia, I have no doubt that everyone who boarded that plane fully expected to make it safely to Yogyakarta. Even though there is the possibility of an accident, it is always a terrible shock when it happens.

These five Australians were serving their country when they died. Whether in the Australian Federal Police, in the government’s foreign agencies or as a journalist, they were all making an important contribution to our country’s work in that part of the world. They all loved their jobs and considered their work a calling.

We also should not forget the many Indonesians and people from other countries who lost their lives. Importantly, we send our best wishes to Cynthia Banham, one of our press gallery journalists here, who was terribly injured in the crash and is lucky to survive. Cynthia is facing a very difficult struggle of a long recovery period somewhere over a year, and she needs our prayers and support.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.54 pm)—I, on behalf of the Australian Greens, join the other parties and the Leader of the Government in the Senate in this motion following the air crash in Indonesia. I particularly send condolences and sympathy, with my colleagues, to the relatives and loved ones of the 21 people who died in the crash, five of whom were Australians. My fellow senators have mentioned them but I will do that again.

Liz O’Neill: what a remarkable, loving and caring woman she was. What a lovely Australian, who so much had her heart in helping people who were distressed themselves. Because of her vocation in helping people, ultimately her life has been shortened. But what a great contribution she has made to making this planet just a bit happier for people who have been touched by the love that came out of her life.

Allison Sudradjat worked with AusAID and saw awful events but again had a loving and caring heart. She has left people behind who will be grieved forever by the fact that she is not around to continue that love. But what a remarkable life. If only all of us on the planet shared her view on life it would be a much more wonderful world to live in.

Morgan Mellish had a love of life itself. He was a tenacious journalist who enjoyed the surf as well as the pen. He won a Walkley award and he had much more to contribute to this nation. We can only be grateful for the journalistic contribution he has made to this country in the wonderful life he led, which was cut down by this air crash.

The Federal Police officers and agents, Brice Steele and Mark Scott, both of whom leave families, went beyond the borders of this country with their expertise and skill to
reduce suffering overseas as well as in this country and because of that have left people who will be anguished and suffering for a long time to come. We salute their skills, we salute their courage and we salute the great contribution they have made to this nation.

I join others in extending the enormous power of thought to Cynthia Banham and Roger Tallboys. And we will not forget those who aided Cynthia in her extraordinarily courageous escape from the plane. But she has been grievously injured. We wish her well and look forward to seeing her again. The road will be long and hard but she has got that phenomenal spirit that Michael Harvey talks about. Our spirit joins that strength of hers in wishing her a full recovery back into the community and a long and rewarding life ahead. We wish Roger Tallboys, who was also suddenly caught up in this crash, a quick recovery and return to the country, and wish for his family that their best expectations will be fulfilled. We wish the same for the 60 Indonesians who are recovering from injuries following this crash, and of course our thoughts are with the families of those 16 Indonesians who have not got their loved ones back home.

It was a terrible, frightening and awful event. As others have said, we see too many of these accidents. Insofar as our best wishes and condolences go to all those affected, let them be as effective and as heart-warming as we can make them.

Question agreed to, honourable senators standing in their places.

COMMITTEES
Selection of Bills Committee
Membership
The PRESIDENT—I have received a letter requesting a change in the membership of a committee.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (12.59 pm)—by leave—I move:

That Senator Ellison be discharged from and Senator Abetz be appointed to the Selection of Bills Committee.

Question agreed to.

BUSINESS
Rearrangement

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.00 pm)—At the request of Senator Ellison, I move:

That, on Tuesday, 20 March 2007:
(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
(b) the routine of business from 7.30 pm shall be government business only; and
(c) the question for the adjournment of the Senate shall be proposed at 10 pm.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.00 pm)—The Greens oppose this motion. Again, this is the government manipulating the Senate, because it has the numbers, while running the Senate for the least number of sitting days for decades, to extend the hours so that legislation can be pushed through but the government can escape the scrutiny which the Senate has been so good at before the government got the majority. This is using the majority to abuse the role of the Senate in reviewing what the government does and to extensively inquire into the legislation and other matters it brings before the Senate. We can do very little about it. It is an abuse of the Senate in the interests of a government that does not want to be scrutinised as it should be, and the Greens will oppose this motion.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.01 pm)—What a strange argument we have
heard: the government is abusing its numbers in the Senate by extending the hours, so that honourable senators can have more time to consider the bills and the legislation before it. Surely the argument would be that we were abusing our numbers in the Senate if we said, ‘We have the numbers and therefore we will force the legislation through without any concern for opposition and minor party senators.’ The fact that we are willing to extend the time for the Senate to sit—so that honourable senators can spend more time considering legislation—is, I would have thought, proof positive that Senator Bob Brown’s assertion is unsupportable.

This government has been a reformist government. It has a full agenda. Yes, there is a lot of legislation to go through and, whilst those on the other side often say that the government has run out of puff, it is interesting to know that they then complain when we have so much legislation, so many reforms and changes that we seek to submit to this place to make Australia an even better place. On behalf of the government, I have moved the motion to give honourable senators extra time to consider the government’s legislative program.

Question agreed to.

Rearrangement

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.00 pm)—I move:

That government business notice of motion No. 2 standing in the name of the Minister for Human Services, (Senator Ellison) for today, relating to consideration of legislation, be postponed till the next day of sitting.

Question agreed to.

PRIVATE HEALTH INSURANCE BILL 2006

PRIVATE HEALTH INSURANCE (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2006

PRIVATE HEALTH INSURANCE (PROSTHESSES APPLICATION AND LISTING FEES) BILL 2006

PRIVATE HEALTH INSURANCE (COLLAPSED ORGANIZATION LEVY) AMENDMENT BILL 2006

PRIVATE HEALTH INSURANCE COMPLAINTS LEVY AMENDMENT BILL 2006

PRIVATE HEALTH INSURANCE (COUNCIL ADMINISTRATION LEVY) AMENDMENT BILL 2006

PRIVATE HEALTH INSURANCE (REINSURANCE TRUST FUND LEVY) AMENDMENT BILL 2006

Second Reading

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

That these bills be now read a second time.

Senator McLUCAS (Queensland) (1.03 pm)—The Private Health Insurance Bill 2006 and cognate bills represent a significant change to private health insurance policy. As the government says, this legislation is the most significant package of changes since the private health insurance rebate and Lifetime Health Cover scheme were introduced in 2000-01.

The most important policy change included in the package is the extension of private health insurance to provide cover for medical services provided outside of hospitals. Under ‘Broader Health Cover’, as it is known, private health insurance funds will be able to cover medical services provided outside of hospitals for the first time. New services included under Broader Health Cover will include services which either substitute for in-hospital services, such as chemotherapy and dialysis provided in the home or community settings, or services which are
designed to prevent hospitalisation in the first place. Broader Health Cover will also provide insurance for services designed to prevent people needing to go to hospital, including chronic disease management programs and health promotion programs.

This package represents a significant change in the way we think about health care—in particular, in trying to find ways to keep people out of hospital and to manage chronic illness better. For this reason, as my colleague Nicola Roxon, Labor’s shadow minister for health, outlined in the other place, Labor supports this package. But we do have some concerns, most importantly that the government seems only to see fit to go down this path for private insurance rather than for the whole health system.

Clearly, the private health insurance industry can see that it is better for their policyholders to stay out of hospital if they can. Keeping people out of hospital also makes good economic sense. This is precisely the rationale for Labor’s call to embark on some wider reforms of the health system, particularly in the area of Commonwealth-state relations. Unfortunately, the government has not turned its attention to this issue at all.

As I said, Labor is supporting this package of legislation because we believe it may provide significant benefits for the 44 per cent of the Australian population who currently have private health insurance. Labor supported the private health insurance rebate at the last two elections and will support it again at the next election. Labor accepts and understands that many Australian families have come to rely on this support and we will not be taking it away. So we are pleased that this package could mean that people with private health insurance cover might get better value for their money. And longer term, if it means that we manage chronic illness better and keep people from multiple re-admissions to hospital, obviously that will be desirable for the health of the nation as a whole.

Labor does, however, have a number of concerns about the package. Our main concern here is not primarily with the content of the package—as I said, we support the goal of keeping people out of hospital where possible, and the goal of preventing and better managing chronic disease. Our primary concern is about what happens to those not insured and therefore not covered at all by these changes.

The expansion of private insurance to out-of-hospital services raises equity issues around access to services equivalent to those under broader health cover reforms for people who do not have private health insurance. People without private health insurance, even after these reforms, will continue to be able to access services such as chemotherapy and dialysis through the public system in hospitals. But the privately insured will have options that may well become not just choices regarding a more comfortable venue for their treatment but also choices which will have significant health impacts, especially if, for example, they have better access to preventive and chronic disease management programs than those who rely on the public system. If this turns out to be the case, then it can be argued that the privately insured will have access to a better overall quality of health care. The logical extension of this argument is that people who cannot afford private health insurance may be more likely to end up in hospital because, unlike people with private health insurance, they might not be able to access programs which could prevent them from having to go to hospital. This issue was examined in detail by the Senate committee inquiry into these bills.
It is this element of the package with which Labor is most concerned. We believe it presents a departure from the current balance between privately and publicly funded services and the rationale that private health insurance gives private health insurance consumers additional choice. Unless there are changes in other parts of the health system to create the necessary incentives for public providers to provide similar services, universality as the core of our health system will be threatened.

The government disputes any suggestion that this package represents a shift towards a two-tiered system of health care. But if the broader health cover provisions give people with private health insurance access to services and treatment options which people without insurance may not have access to—and potentially may be disadvantaged by not having access to—then the package will be doing exactly that. As I mentioned earlier, Labor will support this package because we want those with private health insurance to get any improved benefits that they can. We expect that it will have significant benefits for private health consumers and in particular we believe that it will lead to important innovations in care and services provided outside the hospital gate.

Having introduced these changes for people with private health insurance, we urge the government to work toward addressing access to these kinds of services for the uninsured. With the negotiations over the next set of Australian health care agreements due to start this year, the government has a perfect opportunity to show its concern for keeping people out of hospital and for those who rely on the public health system.

There are several other parts of the government’s private health insurance policies that Labor have concerns with. For example, the government insists that the package will not have any impact on premiums. In fact, in his second reading speech the health minister went as far as to argue that some of the changes will actually reduce pressure on premiums. We remember the last time that the government said one of its policies would reduce pressure on private health insurance premiums, and that was in 2000 and 2001 when the private health insurance rebate and the Lifetime Health Cover scheme were introduced. Since then, as anyone with private health insurance knows, there has been a 40 per cent increase in private health insurance premiums. Given the government’s track record, why should we believe anything that Mr Abbott says about private health insurance premiums? Is it not counterintuitive to think that expanding the services offered will reduce premiums? If we manage people’s care particularly well in the long term, we may—and I underline ‘may’—make some decent savings, and the insurers no doubt have this in mind in wanting to go down that path. But, in the short term, we are concerned that the changes may in fact have the reverse effect and lead to further increases in private health insurance premiums in this country.

We should not be accepting the minister’s word on this issue. Despite Minister Abbott’s rhetoric about wanting to protect consumers by retaining his role in reviewing premium increases, this bill actually weakens the existing legislative framework in this regard.

Under the National Health Act currently, one of the objectives of the Private Health Insurance Administration Council, PHIAC, is to minimise premium levels. However, in the Private Health Insurance Bill that we are debating today, this objective has been removed from PHIAC’s remit. One has to question how serious the government is about keeping premiums down if it is not prepared to include these kinds of consumer protections in the bill. Labor moved an
amendment to the bill in the other place to address this issue and will do the same during the committee stage in the Senate. Mr Abbott said in the other place that he would be prepared to consider Labor’s amendment. We urge the government to support it, or the Australian public is entitled to conclude that the government is not serious about its promises on private health insurance premiums.

I would like to turn to a number of specific issues relating to the package. Labor are concerned that the bill does not pay enough attention to the standards and quality of services to be provided under the rubric of Broader Health Cover. We need to ensure that consumers have the protection of robust quality and safety standards wherever those services are being delivered. The legislation to provide for quality assurance mechanisms for Broader Health Cover products does not take effect until July 2008—in other words, there will be a 15-month gap between implementation of Broader Health Cover in April 2007 and implementation of the standards and quality provisions in July next year. Labor believes this represents an unacceptable risk to consumers of private health insurance.

Labor moved an amendment to address this issue during the debate in the other place which, unfortunately, the government refused to support. The issue was also discussed by the Senate committee’s report into the legislation. The Senate committee heard from several important stakeholders such as the Australian Private Hospitals Association and Catholic Health Australia, who share Labor’s concern about quality and safety standards. The Senate committee recommended:

That to demonstrate a commitment to quality improvement and to guarantee patient safety, existing quality assurance, professional standards and accreditation regimes should continue to apply to broader health cover services provided until alternative accreditation or equivalent arrangements have been put in place under this legislation.

We urge the government to accept the committee’s recommendation, and Labor will move an amendment to this effect in the Senate.

Labor also shares the concerns of interest groups such as the Australian Medical Association about the lack of sufficient safeguards in the bill for doctors to expressly continue to make clinical decisions in the best interests of their patients. Some groups have raised concerns about this package as being a move towards managed care—that is, a system whereby the private health insurer assumes responsibility for the health costs of its members, through, by example, direct contracting arrangements with doctors and other providers. This means that the private health insurance provider would be involved in the clinical decision making concerning the patient.

The clinical freedom of doctors as against health funds or any other groups, including governments, to determine the best course of treatment for their patients is a fundamental of the Australian health system which Labor believes should be protected at all costs. This issue was again considered at length in the Senate committee report. Many important groups in the health sector, including the AMA, the Australian Private Hospitals Association and the Australian Physiotherapy Association, share Labor’s concerns about protecting the clinical autonomy of health professionals.

The Senate committee recommended that the operations regarding clinical independence currently included in the bill be reviewed after four years:

... to ensure that the implementation of broader health cover has not resulted in any reduced clinical oversight of patient care nor had any negative
impact on the quality of and delivery of health services to patients.

Labor support this recommendation, but we also believe that more robust protections of doctors’ clinical autonomy ought to be included in the legislation now. Labor moved an amendment in the other place to address this issue and will be doing the same during the committee stage in the Senate. Again we urge the government to support our sensible amendment.

In addition to the introduction of Broader Health Cover, the bill contains some policy changes of note. The first is the introduction of a requirement for private health insurance funds to produce standard product information on their private health insurance products. People recognise how difficult it is to compare offerings from competing private health insurers—I have to say it is a bit like comparing mobile phone packages. This requirement in the bill is designed to make it easier for consumers to compare different products and to understand what entitlements they may have when they take out a policy. Labor strongly support the introduction of these requirements as, if they work, they will be of significant benefit to consumers—though we do note the concerns of some stakeholders about the implementation of this measure, as was discussed in the Senate report.

A related issue, also canvassed by the Senate report, is the issue of informed financial consent—that is, the ability of patients to access information about the costs of their treatment before that treatment takes place, except in emergency cases, for obvious reasons. According to the Australian Health Insurance Association, almost 20 per cent of privately insured hospital episodes create unexpected bills. Obviously this is bad for patients, but it is also bad for the private health sector and its relationship with its consumers.

Unfortunately, the government has chosen not to address this issue in this package of legislation. There is currently an information campaign underway to encourage doctors to obtain informed financial consent from their patients, which we understand is having some moderate success. However, we believe this is an important consumer protection issue which the government is dealing with extremely tentatively.

The bill will also introduce a change to the Lifetime Health Cover scheme, whereby people who have retained private health insurance for over 10 years will no longer be subject to Lifetime Health Cover loadings on their private health insurance premium, even if they took out their insurance after they turned 31. Labor supports this change.

This package of bills will also streamline the private health insurance legislative framework by bringing the main components of the existing framework and the framework for the new policy proposed by the package under one act. We of course support these changes, though we do share the concerns of some stakeholders, including the Medical Benefits Fund, who submitted to the Senate their concern about:

... the number of provisions under the Bill which can be modified substantially in whole or in part through the making of rules by the Minister or PHIAC (as the case may be).

They were essentially saying that much of the power was now being held by the minister or the Private Health Insurance Administration Council. The Senate committee:

... considers that the over reliance on extensive subordinate legislation to implement important reform packages does not allow for sufficient scrutiny of the objectives of the legislation.

The package will also introduce a change to existing risk equalisation, or reinsurance, arrangements. Labor supports this change, as it will result in a better distribution of the
overall insurance risk than the current formula, and so is an improvement on the current arrangements. But we remain somewhat surprised that the government has chosen to adopt this model when it was clearly not the government’s preferred option. The explanatory memorandum makes clear that the government preferred a different model—a capitation model—as this would have been the ‘best strategic option for the longer term’. If there is, in the government’s view, a better long-term option, why did it not pursue it? We also note from the Senate committee report that there are some outstanding issues with the risk equalisation arrangements that are yet to be resolved.

To conclude, as we have made clear both here and in the other place, Labor support the package. We think it is important to focus on prevention measures, on better managing chronic disease and on keeping people out of hospital wherever possible. But Labor are concerned about the equity impact of this package. We are concerned that people without private health insurance will miss out. This is not a reason not to support the package, as we endorse the package’s rationale, but it is a reason for the government to turn its attention to thinking about how people who rely on the public system do not miss out altogether. We want to make sure that those who are not insured get the best quality services as well. Private health insurance should provide people with choice and different options but not a whole range of health services that are not available to others.

I would like to thank the Senate committee—Senator Humphries is here—for the work that they did on these bills in a very short period of time. Once again we were tasked with dealing with an extensive piece of legislation and no regulations—admittedly, they appeared on the morning of the Senate inquiry—and we came up with what I think is a reasonable report, given the time frame that we had to work within.

**Senator ALLISON** (Victoria—Leader of the Australian Democrats) (1.23 pm)—This package of seven bills makes changes to the current regulatory regime for private health insurance. Of these, the Private Health Insurance Bill 2006 is by far the most significant. It represents the most significant change to private health insurance since the government introduced its 30 per cent rebate and Lifetime Health Cover back in 2000-01. It has implications not only for the privately insured population but also for the 56 per cent of the population who are dependent on the public system—indeed, on our health system as a whole.

The government’s oft repeated claim of being ‘the best friend that Medicare has ever had’ becomes more implausible with this latest insidious step in the white-anting of the health system. This bill does not address the real problems in our health system: inefficiencies and duplication; waste cost, particularly in the private sector; a failure to make the best use of our workforce; neglect of quality and safety issues; and of course the ever-present cost shifting and buck-passing between the Commonwealth and state and territory governments. Rather than tackling any of these, the government has spent billions of dollars on cosmetic solutions, leaving the foundations to crumble.

The measures in this bill have the potential to accelerate that deterioration. The bill allows private health insurance funds to provide what the government has called Broader Health Cover. This means that for the first time private health insurance will be able to cover medical services outside the hospital environment. Health funds will be able to cover services which are classed as part of an episode of hospital care or can substitute for an episode of hospital care—services such as
home nursing, dialysis and chemotherapy. They will also be able to provide insurance for services designed to prevent people from needing to go to hospital—programs such as chronic disease management and health promotion.

The Democrats have always been advocates for more prevention and early intervention in our health system. Clearly, preventing people from needing hospitalisation is a very admirable goal. Under most circumstances we would strongly support moves in that direction. Similarly, the Democrats support broader access to non-hospital based care. Health care should be provided in the most appropriate and safest setting possible and funding mechanisms should be designed to support that.

But—and it is a big but—these new arrangements will increase the inequalities which already exist within the health system and threaten universalism, which is at the core of an efficient and equitable health system. An individual’s health care, and indeed their health status, should not be determined by virtue of their financial status or their ability to buy or maintain health insurance. A universal healthcare system means that services and benefits are available to everyone on the same terms.

Under the broader healthcare arrangements, services will be available to people with private health insurance that are not equally available to those without it. Under these arrangements, there will be a range of preventive and disease management services available to those with private health insurance. The Democrats say that Australians who do not have private health insurance should have the same access to and the same options for medical treatment, out-of-hospital care and preventive programs as those with private health insurance.

It is not easy to predict the effects of changes to health insurance. This is a very complicated area. But if the government’s goal was to encourage the decay of the public health insurance system then expanding the role of private health insurance while neglecting Medicare and publicly available services would certainly be a good start.

It is true that this legislation offers potential benefits to the quality of health care for the privately insured and may make private health insurance more attractive to some, but we must consider these potential benefits within the context of the broader health system. At the very least it is likely that this bill would exacerbate workforce shortages in public services through further syphoning of a wider range of healthcare professionals into the private sector. The government’s argument that this will reduce premiums is doubtful to say the least. Providing services to patients in the community is not necessarily less expensive, and administration costs for managing these new processes may well be substantial.

In its submission to the inquiry into this bill, MBF noted:

... any potential for health cost control through more innovative models of care are unlikely to be reflected in premiums over the short term.

MBF suggested:

... costs of covering preventive programs will be upfront, resulting in a potential upward pressure on prices in the short to medium term. The government does not have a good record on keeping premiums down. They have all gone up by 40 per cent since the introduction of the 30 per cent rebate.

It is also notable that this legislation removes the objective of the Private Health Insurance Administration Council to ‘minimise the level of health insurance premiums’ and replaces it with ‘protect the interests of consumers’. It would seem to be the case that
the government does not believe its own assertions about premiums not going up.

The Democrats will be moving an amendment during the committee stage to restore the objective of the Private Health Insurance Administration Council to minimise the level of health insurance premiums. We will also be moving our standard appointments on merit amendment, in this case for the appointment of the Private Health Insurance Ombudsman and the appointments of the Private Health Insurance Administration Council’s CEO and members. This is essentially an accountability and probity amendment, which is very timely since we are considering aged care. We have moved it before on many occasions and we will no doubt move it again in the future. We think it is an appropriate protective mechanism.

The Democrats are not opposed to private health care and indeed see some value in a private healthcare sector that complements the public health system, but we do not support the extent of public funding for the private sector that has developed under the Howard government. Nor do we support the escalating commitment of the government to subsidising the private health insurance industry. As part of his evidence to the committee, Mr Ian McAuley from the University of Canberra said:

What we have had in private health insurance when we count measures such as the rebate, the one per cent tax penalty and the Lifetime Health Cover et cetera are five rounds of increasing industry assistance now costing about $4 billion a year. That is $3 billion in direct outlays and at least $1 billion in forgone revenue because of the one per cent incentive.

The 30 per cent rebate to prop up private health insurance is highly inefficient and it undermines the health system as a whole. Private health insurance is clearly inflationary; it misallocates resources and it undermines equitable access to health care. A national public health insurer will always be the most efficient and equitable way to fund health care. We are not saying that all health care should be free or delivered by public organisations but that a single national insurer has the ability to contain costs and unnecessary usage. If the government wants to support private service providers and individual choice then there are much more efficient ways than providing what is little more than industry protection to private health insurance.

The legislation does nothing to address the inefficiency and sustainability of the private health sector. There are some aspects in which this package has merit. I have no doubt that the move to provide standard product information to make comparisons between different insurance plans easier will be welcomed by many people. Working out what is and what is not covered and how much it will cost with the many different health insurance products that are available is a daunting task indeed, and adding out-of-hospital options will increase the complexity. It is unfortunate, however, that the government has seen fit to only provide resources for a website to display this comparative information. This will mean that this information is not easily available to the very many people who still do not have access or good access to the internet—and we should be thinking in particular here about the aged population. Given that the government could find $50 million in the last budget to give to the private health insurance industry to advertise its products, it is surely sensible to find money to make useful information available to the public.

The legislation implements changes to streamline the administration of and regulatory arrangements for the sector, and that too seems to us to be a sensible thing to do. However, it is a problem that these bills will allow a health insurance business to operate
other health related businesses—for instance, clinics, hospitals and health related financial products—without requiring the health insurer to advise consumers of its links to these other health related business activities. We think this has substantial potential for conflict of interest.

The legislation introduces a change to the Lifetime Health Cover scheme. Under the current scheme, private health insurance gets more expensive as you get older if you join after you turn 31. Currently, people pay a two per cent loading on top of their premium for every year they are over 30 when they first take out hospital cover. Not surprisingly, this is a major disincentive to join for older Australians. This legislation puts in place a system so that people who have retained their private health insurance for over 10 years will no longer have to pay the Lifetime Health Cover loadings. In our view, Lifetime Health Cover erodes the policy of community rating—something which is a central tenet of the private health insurance system in Australia.

The introduction of Lifetime Health Cover frightened many Australians into taking out private health insurance, and it still does. They are unwilling participants in the system. The Democrats would like to see Lifetime Health Cover removed. This would free up millions of dollars which currently go into the rebate—dollars which, we say, could be spent on areas of real need, such as dental care—and it would also release people from a system that is expensive to be part of.

During the committee stage we will be moving an amendment to remove Lifetime Health Cover for everyone, not just for people who have paid loaded premiums for 10 years. Indeed the Democrats are concerned that the broad health cover measures in this legislation will lead to a further erosion of the principle of community rating. Broader Health Cover will give health insurers greater flexibility in designing products targeted at specific populations and the ability to set different prices for different products. As was pointed out in submissions to the inquiry, this will increase the ability of insurers to engage in reducing the risk profile of the insured population. That is known as cream skimming—in other words, attracting low-risk, low-cost members through financial and other incentives not available to high-risk, high-cost members. Will we see higher risk members priced out of the private health insurance market? I think so.

The Democrats are also concerned that this legislation allows for a 15-month lag between the implementation of Broader Health Cover in April 2007 and the implementation of the standards and quality provisions in July next year. What assurances do holders of private health insurance cover have about standards and quality of service within that time? This represents a completely unacceptable risk to consumers of private health insurance. As I said, the exact outcomes of these bills are unknown but there are very substantial risks involved. This is why there must be a review of the impact of the legislation, if it passes.

We will be moving an amendment calling for an independent review of the act, a review which looks at the extent to which broader health cover has eroded universalism in health care and further contributed to inequality in access to services between those with and without private health insurance. The review would also look at whether the new health insurance products that are developed as a result of this legislation are contrary to the principle of community rating, and it would look at the adequacy of the standard information statements arrangements in assisting consumers to compare private health insurance products.
Given the increasing amount of public funding directed to private health insurance, we should be reforming it and making it a better product. But, of course, we should be doing much more than that. We should be reassessing its role in a mixed public-private system that should provide equitable and efficient health care. We should be reassessing the degree of support the government provides to what is essentially an inefficient intermediary service. So this is another wasted opportunity.

My second reading amendment will condemn the government for: escalating commitment to subsidising private health insurance while failing to explore more efficient methods of supporting the private health sector; providing mechanisms which will increase access to services for those with private health insurance while failing to equivalently increase access for those without private health insurance; and failing to invest in the public health system and to undertake substantial reorientation of the public health system towards prevention and early intervention.

This amendment also calls on the government to limit the use of taxpayer subsidies of private health insurance by replacing the 30 per cent private health insurance rebate with a capped and means-tested rebate. The Democrats have always deplored the many billions of dollars spent on the private health insurance rebate, because it could have been much better spent.

I move:

At the end of the motion, add:

“but the Senate:
(a) condemns the Government for:
(i) escalating its commitment to subsidising private health insurance while failing to explore more efficient methods of supporting the private health sector,
(ii) providing mechanisms which will increase access to services to those with private health insurance, while failing to equivalently increase access for those without private health insurance, and
(iii) failing to invest in the public health system and to undertake substantial reorientation of the public health system towards prevention and early intervention; and
(b) calls on the Government to limit the use of taxpayer subsidies of private health insurance by replacing the 30 per cent private health insurance rebate with a capped and means-tested rebate”.

Senator STERLE (Western Australia) (1.39 pm)—I rise to speak on the Private Health Insurance Bill 2006 and related bills. As speakers in this place and in the other place have already noted, this package of bills signifies big changes to private health insurance. As my colleague Senator McLu- cas also said earlier, Labor supports the package, but with some serious reservations and concerns.

My main concern is based on the fact that the government’s private health insurance policies have been a monumental failure in addressing the fundamental issues of access, cost efficiency, quality and equity that are increasingly besetting Australia’s health and hospital services. My worry—shared by my colleagues—is that these bills are, in some respects, sending us further down that track.

The background to these changes is this. Many people living in the outer metropolitan areas of Australia’s major cities cannot get access to a local GP when they need one. The health status of Australia’s Indigenous population remains nothing short of a disgrace. Australians are experiencing a serious increase in the prevalence of debilitating
chronic and lifestyle diseases. Rural and remote health and hospital services continue to decline and decay, while rural communities struggle to recruit and retain medical practitioners. It has become indisputable that Howard government neglect over the past 10 years has resulted in Australia having a critical shortage of locally trained general medical practitioners and medical specialists that will take years and years to overcome—if it is ever overcome. All this while the federal coalition government continues to blame the states and territories for anything that goes wrong in the health system, even though it controls the major health funding and policy levers. Do not tell me and other Australians that pressure on the public hospital system has not increased since the introduction of the Howard government’s private health insurance changes and since the Howard government started diverting its health dollars away from Medicare to the private sector.

Over the 11 long years that the Howard government has been in office, there has been a serious and unrelenting assault on the original philosophy and principles of the Medicare scheme, and it is my concern that elements in these bills carry on that assault. I should not need to remind members of the government that, under existing laws passed by the federal Parliament of Australia, all Australians have the right, without qualification, to free hospital treatment for needed medical care.

Despite this legal right, this government now applies a tax penalty on Australian families who earn an average annual wage of approximately $50,000 if the family does not contribute to private health insurance. If that is not an attack on Medicare and average Australian families, I do not know what is. In effect, this government has passed laws requiring average Australian families to subsidise its private health insurance policies. When the government introduced this penalty it said it was specifically targeted at high-income earners. What a sick joke! So far as this government is concerned, a family on $50,000 is a high-income family.

The Howard government’s massive subsidisation of private health insurance was supposed to reduce cost and demand pressures on the public hospital system. It was supposed to provide a private sector example to public hospitals of how to improve the efficiency of hospital service delivery. It was supposed to improve access to public hospital services for people who wished to continue to exercise their right to free hospital treatment under the Medicare scheme. The government’s rhetoric, repeated by Senator Scullion, that federal government subsidisation of private health insurance premiums would take the pressure off the public hospital system has been shown to be a total and utter sham.

The Australian people have had a gutful of the deception of this government in respect of health and hospital services. The Howard government’s response to any problem with Australia’s health system is to blame the states and territories and to play the fear card. The implication constantly made by government members of parliament is that, if you do not have private health insurance, there is a high risk you will not be able to get into hospital when you need to or will not be able to choose your doctor. You can see what this government is about. They are into the fear game. Because their private health insurance policies are so shonky, they have now taken to putting the frighteners on vulnerable Australians. What they are saying to these people is: ‘Forget Medicare—we are going to trash that. Get into private health insurance if you want to ensure you can find a doctor or a hospital when you get seriously ill.’ Yet every time this government sinks the knife into the Medicare scheme and the equity principles underpinning Medicare, it
comes out with its holier than thou rhetoric about how it loves Medicare. If this government had any real commitment to Medicare, had any decency towards the less well off in the community, why in God’s name would it be scaring vulnerable, low-income members of the community into taking out private health insurance in order to contribute to the profits and incomes of health funds, private hospital operators and private medical specialists?

Senator Brandis interjecting—

Senator STERLE—Wasn’t one of the main reasons that Medicare came into existence to ensure that all Australians—the well off, the less well off, the young and the old, Senator Brandis; Australians who live in cities and Australians who live in regional, rural and remote Australia—have access to high-quality health and hospital care regardless of their circumstances? Isn’t this why Australians are so committed to Medicare? It is because it is a fair system, not a fear system.

The government’s health policies are following the same pattern of unfairness that has been typical of much of its actions since it came into power 11 long years ago. If anything, its policies of fear and unfairness and its attacks on the lives of ordinary Australians have intensified, especially since the last election. It is about time that senators opposite realised we are seeing in this country a growing rejection of their tactics of fear.

If the Howard government were in any way sincere about its commitment to Medicare, it would ensure that low- and fixed-income people could continue to rely on having access to Australia’s public hospitals, particularly Australia’s world-class public teaching hospitals. Australia’s public teaching hospitals remain an enduring legacy of previous federal Labor governments. Now these same hospitals are becoming victims of Howard government neglect. The fact is the choice-of-doctor myth is a self-serving tactic of the private health funds and the private hospital sector to sell their services. In reality, choice of doctor is more a choice between a high-cost doctor and a low-cost doctor. It is not about choice between a good and a not so good doctor. The fact is that very few people have access to sufficient information on which to base an informed choice of doctor.

As my colleague Senator McLucas has already pointed out, Labor has serious concerns about some aspects of these bills that take away consumer protection by eating away at the existing legislation. The fact is that when a person becomes seriously ill and requires admission to hospital, they and their family are often in no state, nor do they necessarily have the time, to exercise choice of doctor. The fact is that, since the current government came into office, in many places in Australia there have been serious shortages of medical specialists. As a result, patients often have no other option but to accept the first available specialist. The fact is that these days the biggest challenge is to actually find a doctor who will see and treat you. If the government were really serious about giving patients informed choice of doctor, it would facilitate the availability of public information on individual doctor qualifications, experience and track record. I would like to see that.

Let us look at the facts about private health insurance since the Howard government introduced its private health insurance premium rebates. The government has been taken to the cleaners by the private health funds, the private hospital sector and private medical specialists. They have all creamed it. In fact, they have made a shirt load. What a cakewalk it has been for the private health insurance funds since the introduction of the premium rebate, when an avalanche of tax-
payers’ money began to flow into the health funds’ money bags! Since 1999 the health funds have basically not had to do anything. They have simply jumped on the back of Australian taxpayers. The Australian government has done all their work.

Since the time before the introduction of the health insurance premium rebate for privately insured hospital patients, the private health insurance funds, in real dollar terms, have not put one extra dollar of their own money—not one dollar of their own—into the private health insurance system. At the same time, the funds have helped themselves to—wait for it—over $1.5 billion of taxpayers’ money to help fund their management expenses. For senators opposite I will repeat it: $1.5 billion. Surely one of the reasons the government decided to invest so much money into private health insurance, rather than Medicare, was to bring about a similar lift in private health fund contributions. Unfortunately, it did not happen. But do not worry: the well-off people in the community have been able to send a good part of their private hospital bills to the taxpayer to pick up.

Also, how can the private health insurance funds continue to justify their 10 per cent management expense ratio when they do nothing but collect taxpayers’ money and members’ contributions, send out cheques to private hospitals and medical practitioners and run expensive media campaigns? It is about time they stopped living the easy life and began to earn their keep. It is about time the Howard government stopped doing their bidding for them.

Since the introduction of the government’s private health insurance changes, the cost of private health insurance has increased by 46 per cent, way above the CPI increase. The result is that every year the cost of private health insurance is becoming less affordable for the average family. Families are on the same treadmill they were on prior to the rebate. Since the Howard government came into office 11 long years ago, federal outlays for private hospital services have increased from 10 per cent of Australians’ total expenditure on private hospital services to 34 per cent.

The Howard government has clearly taken the lazy view that all you have to do is throw money at the private sector and wondrous things will happen. What it has failed to recognise is that the private hospital sector has one main aim: to maximise its profitability.

Senator Brandis—Shame!

Senator STERLE—I will take that interjection, Senator Brandis. There is nothing wrong with that, except that increased profits should not be simply derived from maximising access to taxpayer money without proper accountability. The private hospital operators have used increased private health insurance coverage to expand their businesses into hospital services which offer the highest profit mark-up and have the potential for high-volume growth. Private hospital operators certainly have not gone down the road to their nearby public hospitals and asked the public hospital CEOs what the private hospitals can do to relieve the pressure on those public hospitals. So a substantial mismatch has occurred between the private hospital sector’s profits and service growth strategies and sufficient growth in those categories of private hospital services needed to reduce demand on the public health system.

The Howard government’s private health insurance changes opened the door for private hospitals to ramp up activity in those hospital treatments and procedures that provide the greatest profit margins, particularly day-only treatments, and that is what the private hospitals have done. Increased private hospital activity has not taken the pressure
off the public hospital system. On the contrary, with the help of the private medical specialists, the private hospitals have created another, more profitable market. We are now seeing that, for many hospital procedures and treatments, privately insured patients have much greater access than Medicare public patients to treatment. This is the threat of the two-tier system referred to by Senator McLucas.

Australian Institute of Health and Welfare published data show that, in the period 2000-01 to 2004-05, private hospital same-day separations increased by 31.5 per cent. That is twice the rate of increase experienced by public hospitals. It is no simple coincidence that private hospitals have ramped up their concentration on same-day services. Between 2000-01 and 2004-05 the average private health fund benefit for a day-only separation in a private hospital increased by 32 per cent while the average bed-day benefit for a multiday stay separation increased by only 25 per cent.

Obviously, the higher the number and proportion of same-day patients, the higher the rate of revenue growth and the higher the profit margin for private hospital operators. While the private hospital sector’s number of low-cost, same-day bed days rose strongly over recent years, the number of private hospital higher cost overnight bed days has remained virtually the same. At the same time, the public hospital system has had to absorb a 4.5 per cent increase in higher cost overnight bed days.

I want this to be very clear: I am not criticising private hospitals for seeking to maximise returns to their owners and shareholders. What I am condemning is the lazy way the Howard government has been willing to so blatantly, and I think wantonly, squander Australian taxpayers’ money and put at risk major parts of Australia’s health system. The public hospital system is in a worse position than it was before the introduction of the Howard government’s private health insurance changes. The fact is that the private hospital sector’s average patient cost weight has fallen. Less average patient treatment complexity equals lower costs and—guess what!—higher profits. So, as a result of the Howard government’s approach to health care, the private hospital sector has managed to shift costs onto the public hospital system. What a testimony to total incompetence by this government. No wonder our public hospitals are buckling under the pressure.

To further underline the total mismanagement by the Howard government of its private health insurance policies, in the five years to the end of 2004-05 the number of licensed private hospital beds increased by only 271—a measly 271 beds across the country. How is that piddling number of additional private hospital beds supposed to take the pressure off the public hospital system? How can the Howard government justify spending nearly $6 billion on private health insurance rebates in respect of private hospital services over the five years to 2004-05 when all that was achieved was 271 additional private hospital beds? How miserable, how lousy, how stingy! In the same period, the number of public hospital beds increased by no less than 2,700 to meet demand.

Since the Howard government came into office, federal government payments to the private hospital sector have increased by no less than 330 per cent. Over the same period, federal government outlays for public hospital services have increased by only 55 per cent. These figures clearly show what this government is up to. It intends to starve the public hospital system to death while it pours money into the private hospital sector. In cost-effectiveness terms, the government’s private health insurance policies have been a monstrous failure. The public hospital sys-
tem has for decades been at the very heart of the Medicare scheme. The public teaching hospitals have been the engines of progress in ensuring that Australia’s health and hospital care standards and equality of access to health care have remained the envy of the world. But this government appears hell-bent on breaking the heart of the Medicare scheme, and that is not what Australians voted for.

Finally, I would like to join Senator McLucas in thanking the Senate committee for its work and also join her in urging the government to support Labor’s amendments during the later consideration in detail of this package in the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.58 pm)—I congratulate Senator Sterle on that contribution.

Senator Brandis—It was nearly as silly as something you might say, Bob.

Senator BOB BROWN—Senator Brandis says it was silly, but it was not. It had a lot of factual content—something he might learn from—and it put very clearly the argument that the public health system in Australia is getting a raw deal from this government when compared to the huge amount being poured into the private health system. The figures he gave, which came out of Senate committee work and so on, are a telling testimony to that fact.

Basic to those figures are that 43 per cent of Australians have private health insurance and therefore access not only to the benefits already available but also to those which are inherent in the pieces of legislation now before the Senate: the Private Health Insurance Bill 2006 and related bills. But that means that 57 per cent, or 12 million Australians, have had that door shut to them. It is a two-tier system with the gap between the two tiers growing greater all the time—a country divided on the basis of the fundamental right of all citizens to a high-quality, effective healthcare system and the health professionals divided on their right to have the support of government in delivering the healthcare system to the public. The increased pressure on the public healthcare system and its professionals is testimony to the neglect of this government—that is, the pressure on doctors, nurses and other health professionals right across the country, where the public system has had such a raw deal.

One thing that is not canvassed in the legislation but which is a telling testimony to that neglect is the dental health system. Just today I read in the Sydney Morning Herald that the private health insurance system gives, I think, $483 million to high-income earners who are accessing the dental health system. Compare that with the 600,000 Australians who are on waiting lists and with the lack of choice which comes to those 600,000 Australians when they actually get to the end of that waiting list in the quality and type of dental health care that is available to them. There is nothing more disgraceful in this area than the Howard government’s very early impulse to carry through the dismantling of the concession card dental health system for Australians on low incomes, including pensioners and poorer people generally. That has meant a general deterioration in the dental health care of Australians who are on lower incomes. It is a matter I will be taking up more in the future in this place.

The government says that the package of bills before us will create new opportunities for the private health sector, allowing greater innovation and even greater choice in private health care. When implemented, the legislation will be a win for consumers, a win for private health insurers and a win for service providers. But it will effectively be a loss for the 12 million Australians who do not have access to that system, and that is the problem
with this legislation and many of the components of the bills that come through. They are good in themselves, but they are only good if you are wealthy. They are good in themselves, but they are particularly good for those in the skewed system in which supporters of the government get benefits but the rest of the population, by and large, are left without the benefits. The minister said:

Currently insurers are subject under the National Health Act to no fewer than 48 conditions of registration, and could be deregistered for breaching any of them.

One could say, 'Fair enough'—but not the government. The minister went on to say, 'This is as clumsy as it is onerous,' and that this system will be replaced by a transparent set of product standards. The minister said that at the heart of these standards will be the notion of complying health insurance products and that insurers will have clear obligations relating to community rating premiums, benefits, waiting periods, portability and the provision of standard information. The minister went on to say:

By regulating products not providers—we are opening—the door more widely to—potential—new entrants into the private health insurance industry and the possibility of existing health insurers adapting their businesses to current market conditions and consumer demands.

It is a standard of regulating products, not providers, that the government has moved to, saying, 'Let's not regulate the providers; let's look at the products.' In doing so, the minister said that the bill also includes offence provisions for breaching the new product standards, including penalties for insurers that fail to comply with essential information requirements under the act. Then—listen to this—the minister said:

Chief executive officers and directors can be held personally liable only if they do not exercise due diligence in putting in place systems to ensure that insurers comply with the product standards.

I ask: where in all of this is due diligence by the government? Where is the increasing requirement, when there is more public money going out, to ensure that those who handle that money exercise due diligence and prevent fraud? It is not here in the legislation, and it ought to be.

I think the government will live to regret the fact that it is not making sure that, with two or three billion dollars a year going across to the private health system, there is not greater due diligence. There is less due diligence coming from the government itself. These are serious considerations, and the Greens will be pursuing the matter of that requirement if we are going to have a pumped-up private health system which advantages all of us in here—we are all on over $100,000 a year—but leaves so many Australians vulnerable. It is our responsibility to ensure that there is greater due diligence, not less, and that the persons who are handling the money—not the products, but the persons who are handling the money—come under greater scrutiny.

I heard Senator Sterle say that 10 per cent of the money goes off to those persons but that there is not an obvious reason for that massive amount of money to be diverted into administrative costs when so little is ostensively done by the private health insurance sector. That is a matter that requires, I think, a change of policy by the government, and it is something that the Greens will be pursuing.

We Greens have consistently opposed the huge amount of public money being diverted into the private health insurance system and away from the public system because, as everybody in this place knows, the public system badly needs those funds. A fairer
Australia would insist that the funds were directed to the public system and that the private system be there to compete without the government largesse that the Howard administration has poured into it. With that in mind, I foreshadow that I will move that these words be added at the end of the motion:

“but the Senate is of the view that the private health insurance rebate should be abolished and that the funds should be redirected to the public health system”.

Senator HUMPHRIES (Australian Capital Territory) (2.08 pm)—I want to rise in this debate to support this Private Health Insurance Bill 2006 and related legislation and to indicate that I think it is a very positive and effective step in a number of directions. As the minister himself said in introducing this legislation, it is designed to be of benefit to private health consumers, private health insurance providers, private health insurance companies and the community generally. I believe that, on any of those tests, this legislation can certainly be seen as a step in the right direction.

I think it would be unfortunate if people listening to this debate were to draw the conclusion that the legislation that is before the Senate at the moment is in some way an adverse outcome for Australian health consumers. I heard Senator Allison, earlier in this debate, describe the legislation—I think she said this—as ‘an insidious step in the white-anting of our health system’. I heard a series of criticisms from Senator McLucas, and I heard the usual attacks from Senator Brown on the concept of private health insurance. It would be unfortunate if it were not recorded in this debate that the Senate Standing Committee on Community Affairs, which I chair, conducted hearings into this legislation. The committee heard a majority of witnesses before the inquiry—organisations as diverse as the Private Health Insurance Association, the Australian Medical Association and a number of organisations representing different areas of health consumption, such as motor neurone disease—affirm that they supported the direction of this legislation.

This is a good step towards creating flexibility for consumers of health services in Australia. Let me explain why. At the present time private health insurance in Australia covers a very significant number of Australians—something like 12 million Australians. It provides for a range of services to be supported through the payment of a premium. Those services tend, at the moment, to be concentrated on hospitals, particularly private hospitals in Australia. Despite putting on record the fact that private hospitals in Australia are of a very high standard and meet very important delivery outcomes for the people of Australia, it is nonetheless true to say that there is considerable room for those services to be diversified. For example, at the moment, if a person wishes to obtain dialysis, one might do so through a public hospital. If one has insurance, one might do so through a private hospital, but there are limited options, at the moment, for obtaining that dialysis in the private sector—such as in a community health setting or in a facility designed for that purpose, perhaps even in a doctor’s surgery. There are limited opportunities for those services to be provided to Australians outside hospitals.

We know that hospitals are important parts of our health system, but they are also very expensive parts of our health system. It is logical that we should consider ways of being able to shift some services out of hospitals—where that can be achieved effectively in a clinical and cost-effective sense and where benefits accrue to the community by virtue of that occurring. That is what this legislation is all about. It is about creating a more flexible health system where the users of private health insurance products are able
to get a broader range of services that suit the needs that they bring to the health system.

That is essentially what this legislation does. I am sorry that there has been so much criticism of it in the course of the debate today, because the witnesses who came before the inquiry affirmed that they saw this as a positive step. There were some concerns about the way in which this will work, and indeed a number of witnesses suggested amendments to the legislation. A number of those amendments have been picked up by the community affairs committee and made as recommendations to the government to adopt. I look forward to those issues being examined seriously and effectively by the government.

I want to pick up on a number of points that were made in the course of the debate, to indicate why I believe this legislation, in its present form—with some amendments—needs to proceed. First of all, Senator McLachlan made fairly strong comments about the possibility of this legislation resulting in increases in premiums. That is an unfortunate line of attack because, as we know, there has been a tendency for premiums for health insurance to rise. Those rises are very easily misunderstood and mischaracterised in the Australian community. Some people suggest that this is because the health system is out of control or because the government does not exercise enough control over the circumstances under which rises are allowed to occur and that this is somehow a sign of the system breaking down. Of course it is not any of those things.

Rises in health insurance premiums reflect the reality that the cost of medical services in this country, and indeed everywhere in the developed world, is rising. It is rising because new drugs are being discovered every day which alleviate conditions which previously were not treatable or not treatable effectively, new technologies are being applied and greater training is being employed to increase the understanding of the way diseases operate. All of those things have an effect on the cost of medical services.

It is frankly disingenuous to pretend that you can somehow, as a government, an alternative government or a minister for health, stand on the shore and hold back the tide of the rising costs of our health system. It is a reality which every government in the Western world is facing and which governments in this country will continue to face for some time to come. It does not mean you cannot adjust the system to decrease the pressure on health insurance premium rises, but nonetheless those rises will most likely continue to occur. The rate of inflation for medical services has historically been higher than the rate of inflation for other services and goods in the community generally. We cannot get away from that fact.

This legislation is designed to give us a more flexible approach to those issues, and it has the potential to result in smaller rises or even no rises at all. If services can be provided outside hospitals in community settings, for example, rather than in hospitals where necessarily costs are very high then there is a chance that those services can be provided more cheaply. By doing that, those services will be provided at less expense and with less pressure on health insurance premiums. That is a good thing, and we should welcome that and embrace the flexibility this legislation creates to achieve that outcome.

We had a general attack from Senator Brown on private health insurance, in the course of this debate, criticising the people who take out private health insurance—in fact, I understood him to be describing them as supporters of the government. He said that supporters of the government get benefits but the rest miss out. I would be very interested
in taking a straw poll of which members of the Senate, including those on the other side of the chamber, have private health insurance. I suspect there would be a very large proportion who do. I think they would baulk at being supporters of the government. There are millions of Australians, who might not be described as supporters of the government, who nonetheless have made the decision to take out private health insurance. They do so because they see that they get value for money out of it.

No-one likes to see rises in premiums, and I do not think anyone believes a government or an alternative government that promise they can stop rises in premiums, especially if they do not outline how they propose to achieve that miraculous event. But nonetheless private health insurance is an important part of our health system and, most importantly, it takes an enormous amount of pressure off our public hospital system. If those 12 million or however many Australians were without private health insurance, there would be an enormous shift of demand onto our public hospital systems. I do not need to tell anybody in this Senate what tremendous pressure public hospitals in this country are already under, how underresourced they generally are and how they would simply not cope if they were dealing with not only public patients but also the private patients who are presently being assisted through private health insurance.

It is all very well for those opposite to bemoan the cost of the private health insurance rebate and to say this might be money better spent somewhere else, but the fact is: you cannot devise a system without it which does not result in tremendous pressure—indeed, probably intolerable pressure—on Australia’s public hospital system. It simply does not work. It particularly does not work if you are not prepared to outline what your alternative is. I say to those opposite: we are approaching a federal election. If you do not think the present system is working, tell us what you think will work better. Of course, we are yet to understand what that alternative might be; presumably, we will find out some time before Australians go to the polls.

Another issue raised by Senator McLucas in the course of the debate was a technical issue relating to the role of PHIAC, the Private Health Insurance Administration Council. She suggested that one of the criteria for PHIAC’s operation should be to reduce premiums or to prevent rises in health insurance premiums. I say to her, through you, Madam Acting Deputy President: that is on the face of it a reasonable suggestion, but when one delves a little closer one realises that there are problems with that proposition. The Private Health Insurance Administration Council’s role is to examine proposals for new products to be added to the list of those which are funded through private health insurance. If someone comes along and says, “I want to add this product of dialysis in a non-hospital setting; will you approve that?” it is their role to see whether this makes sense, whether it is clinically effective, whether it will be a good service to provide to Australians and then, if it is, presumably to tick it off.

A consequence of adding new services to the list of things which are covered by private health insurance is—theoretically, at least—that costs increase as a result of that. You may have a new service which is very good and likely to be used but which will add to the cost of private health insurance premiums. None of us wants to see that, but we have to acknowledge that there is a trade-off between increased premiums and increased services on occasions. These changes propose to allow for Australians to get not just—let’s hope not—theoretically increased premiums but also better services at the same time. If that were the case, we would need to
make a decision about how effective those additional benefits might be versus the cost of them. But, if PHIAC’s role were to minimise the cost of premiums, it would be in the difficult position of realising that new services might cost more and increase the cost of premiums, and it might be obliged on occasions to knock back those new services because they add to the cost of a premium. That would be an unfortunate outcome, particularly if there were people who wished to purchase those services. With respect to Senator McLucas and the Labor Party, that position looks superficially sensible but in fact it is others who need to make the decision about the effectiveness and cost of premiums, rather than PHIAC, the Private Health Insurance Administration Council.

Senator McLucas picked up on a suggestion made during the inquiry that the legislation needs to build in a protection for doctors’ clinical decision making—that that decision making needs to be respected and made central to the way in which the legislation works. I think there is a case for that. I do not doubt that the clinical integrity of doctors’ decisions needs to be preserved as part of the operation of our health system, but I am not sure that it has a role in respect of the way services are constructed for the purpose of offering a product through private health insurance—for example, it may be assessed as logical or cost-effective to not offer a certain service in the private sector, in a hospital or outside a hospital. A doctor may disagree. A doctor may say: ‘I think this service must be provided in the hospital. I don’t wish to have that service provided anywhere else but in the hospital.’ It is very hard to determine through the private health insurance process that a product should occur outside a hospital setting if a doctor or doctors are saying, ‘No, we have a different view about where that should be provided.’ In fact, I think it is easy to argue that there are different levels at which that decision making ought to occur that protects a doctor’s clinical judgement and that it should not occur at the level of this legislation.

There has been criticism about there not being enough indication within the legislation on issues such as informed financial consent. Senator Brown made criticisms about things that were not in the legislation. This is not legislation about private health insurance generally or about a range of services available to consumers; it is about increasing flexibility in this particular area of our health system. There is room for other legislation to deal with those issues if necessary.

I want to finish by saying that this legislation takes Australian health care into a new realm. It engineers a level of innovation, flexibility and choice which our health system needs. It is a heavily structured and regulated system. No-one should pretend, in looking at this legislation, that in some ways we are intruding into an area which is basically operated by the market; far from it. It is a system which is very heavily influenced by regulation, and this legislation seeks to make that regulation a little more flexible and to provide for new services to emerge in a setting that is appropriate for those new services. I think that is only to be seen as a good thing. Some testing of this new model is required, and I am sure that will occur. I have no doubt the minister is closely watching what happens with this legislation. I have no doubt that, if changes are necessary, they will be made. But I am confident that this is the right start. It is a very good step towards greater flexibility. It should, in some areas at least, reduce pressure for premium increases, and I look forward to seeing how effectively it delivers services to the Australian community.
Senator CAROL BROWN (Tasmania) 
(2.25 pm)—The package of bills before us, and specifically the main bill, the Private Health Insurance Bill 2006, seeks to establish a comprehensive regulatory regime for the private health insurance sector and to replace the current regime. The other bills in the package provide for the transitional arrangements and consequential amendments to existing legislation.

Measures contained in the main bill, including those relating to Broader Health Cover, the provision of standard product information and changes to Lifetime Health Cover for consumers with 10 years continuous cover, represent a significant change to the private health insurance sector. Labor has stated that it generally supports the bills as they are likely to result in considerable benefits to the 44 per cent of the Australian population that currently have private health insurance. They are also likely to provide some benefits to the 40 per cent of Tasmanians that have invested their hard-earned funds in private health insurance.

In saying that, it is important to note that the benefits contained in this bill will not be accessible for the majority of Tasmanians, who are statistically less likely to have private health cover because of their locality and status as lower income earners. However, Labor supports those measures in the bill that will assist those people with private health cover, particularly the provisions relating to Broader Health Cover and standard product information. Under Broader Health Cover, private health insurance funds will for the first time be able to provide cover for many medical services provided outside the hospital setting by facilitating funds to provide cover for out-of-hospital services that either substitute for in-hospital procedures, such as chemotherapy and dialysis, or are designed to prevent hospitalisation in the first place.

Broader Health Cover represents a necessary step forward in the provision of health care—likewise, the standard product information requirements, under which private health insurance funds will be required to produce standard information statements for their products, should go some way to helping consumers make informed choices and be more aware of their exact entitlements under their particular scheme. Hopefully, consumers will no longer have to sift through numerous forms and documents to try to figure out their entitlements, as has previously been the case, nor will they be caught stranded by having to pay for services they thought were covered by their scheme. However, while Labor tentatively welcomes such changes, it has several significant reservations about the bill and the government’s approach to health care in general. These reservations were shared by several witnesses who gave evidence at the public hearing and are reflected in the recommendations handed down in the report of the Senate Standing Committee on Community Affairs.

Labor’s primary concern relates to the implications of the bill and not the specific content. While Labor supports the benefits that the bill will promote for those Australians with private health insurance, it is concerned about the implications for those Australians without private health insurance, who make up the majority. The expansion of the range of services and benefits that can be accessed under Broader Health Cover means that people with private health insurance will logically have greater access to a wider range of health services than those who do not. This is likely to result in the creation of a two-tiered health system in Australia, where those people who can afford private health insurance will have greater access to a wider range of services and benefits than those who cannot.

People who are without private health insurance will be restricted to the services and
benefits covered by Medicare, whereas those who have the capacity to purchase private health insurance will have a greater range of choice and, under Broader Health Cover, will have the ability to access out-of-hospital services as well as preventive health programs. This situation seems to produce an illogical result, as research shows that people who can least afford private health cover are the ones who would most benefit from it. People from lower socioeconomic backgrounds are more likely to suffer from certain generally preventable conditions such as obesity and heart disease, which could possibly be avoided if they were able to access preventive health services. By choosing to make these improvements and offer these benefits in the private rather than the public sector, the government has paved the way for the further commercialisation of the health system, whereby access to services is determined by a person’s capacity to pay. While beneficial to people with private health insurance, the provisions are aimed at ‘consumers’—to quote the minister—not the Australian public as a whole, and definitely not at those who need it most.

These concerns about the bill were shared by the Centre for Health Economics Research and Evaluation, who noted in their submission that the bill will:

... create greater complexities ... between the public and private health systems ... enabling service providers and health care insurers to respond with practices that segregate those with health insurance and those without ...

Labor is also concerned that the bill does not provide enough protection for doctors’ clinical independence—another concern which was expressly shared by groups such as the Australian Private Hospitals Association and the Australian Medical Association, who provided evidence at the public hearing. While the bill does provide for safeguards under clause 172-5, these groups considered this safeguard to be too limited. The AMA expressed concern that under the bill there remained real risks that health funds may seek to interfere with clinical decisions made by doctors in relation to patient treatment, such as whether a patient needs to be treated in hospital. They stated:

A broader, more realistic guarantee of no interference in clinical management and clinical decision making ... is necessary. The existing guarantee is too limited.

The APHA shared the AMA’s concerns and recommended that ‘the protection of clinical discretion should be a requirement of all agreements between health insurance funds and all service providers, including hospitals’.

Concern about the threat posed to doctors’ clinical independence resulted in the committee recommending in its report that the provisions in clause 172-5 be independently reviewed four years after the act has commenced, in order to ensure that the implementation of Broader Health Cover has not resulted in any reduction of clinical oversight of patient care or any negative impact on the quality of health services. While Labor supports an independent review of the clause, it believes, as stated in the additional comments attached to the committee report, that the clause should be broadened now to cover all other circumstances in which doctors’ clinical independence may be threatened—such as hospital purchase provider agreements and those that arise from Broader Health Cover arrangements. Labor believes that it is better for the government to have a broad safeguard in place to cover such situations than for it to sit on its hands and wait until something goes wrong. This is what is likely to happen if the clause is not amended and is reviewed only after four years. Labor also included in its additional comments a recommendation that the bill should contain the specific objective of minimising private
health insurance premium levels, either in the PHIAC’s objectives or as an explicit responsibility of the minister.

The government claims that the bill will not have an impact on premiums. In fact, in his second reading speech the minister went so far as to state that some of the changes contained in the bill will actually reduce pressure on premiums. However, logic dictates that if the changes contained in the bill will result in funds offering cover for a broader range of products and services then consumers will be expected to pay more. The changes, while in theory beneficial to consumers, will naturally result in an increase rather than a decrease in premiums in the short term. The last time the government said that one of its policies would result in a reduction of pressure on private health insurance premiums was in 2000-01. Since then, there has been a 40 per cent increase in premiums. Between 1998 and 2006, the cost of private health insurance has increased twice as fast as general inflation. Given this track record, it is unlikely that these new changes to the private health insurance regime will result in anything other than an expansion of scope of business for funds and increased costs to consumers.

Any increase in premiums is likely to result in further pressure being put on Australian households with already tight budgets. Figures show that Australian households, particularly families, are already squeezed from many directions by the government—with the average mortgage repayment consuming 32 per cent of family income and recent figures showing that childcare fees eat up as much as 17 per cent of family weekly earnings. Combined with persistently high petrol prices and the ever-looming threat of a further interest rate rise, any increase in private health insurance premiums will hurt Australian households and make private health insurance even less affordable for families.

Labor generally supports the legislation because of the obvious benefits it will afford to those Australians with private health insurance. However, we believe that, at a minimum, amendments need to be made to broaden the protection of doctors’ clinical autonomy and to provide a guarantee against further increases in premiums. I wish to reiterate that Labor is concerned about the effects that the legislation and, more importantly, the government’s decision to pursue changes to the healthcare system through the private rather than the public sphere will have on Australians who are without private health insurance. This legislation sets the stage for the creation of a two-tiered health system where access to health services will be determined by the ability to pay, not by need.

The minister made an undertaking that he would carefully consider the recommendations made by the committee and the concerns raised in the committee hearings. I urge him to consider the issues that I and many of my colleagues have just raised. Access to and the cost of health care in this country is an issue for all Australians, not just ‘consumers’ of private health insurance. The fact that the government has chosen to improve the delivery of health services through the private rather than the public sector proves that it is out of touch with the needs of the majority of Australians who do not have private health cover. Why should only those who can afford private health insurance be the ones to benefit from changes such as Broader Health Cover? Why shouldn’t every Australian have equal access to out-of-hospital and preventive health services? Once again the government has overlooked the people who are most in need of such services.
Senator POLLEY (Tasmania) (2.37 pm)—I too rise to speak on the Private Health Insurance Bill 2006 and related bills. This is important legislation and includes many changes to our current system. The provisions in this package will provide benefits for 45 per cent of Australians—and, for this reason, it has my support. This bill represents a significant change in the way we view health care. Under these new proposals, private health insurance members will have cover for services outside the hospital. Furthermore, the Broader Health Cover provisions will allow funds to offer their members coverage for services which may prevent an episode of hospital care. There is strong evidence that the overall level of community health will be improved and the total cost of the health system minimised if we focus more on preventative health measures and early intervention with those most at risk of developing illnesses. Therefore, this legislation is, in principle, a step in the right direction.

I do, however, have many concerns regarding this legislation, which I will discuss here today. Firstly, the government has said that this package will not have an impact on premiums. Tony Abbott argued in his second reading speech that provisions in the package may even reduce premiums. I wish to remind the Senate that in 2000 and 2001 the federal government said that there would be downward pressure on premiums, yet Australians have suffered a 40 per cent increase in premiums since then. Between 1998 and 2006 the cost of private health insurance increased twice as much as general inflation, and this is unacceptable. If Medibank Private is sold, there is a real possibility that private health premiums will rise even further.

The fact is that the government cannot be trusted on private health insurance premiums. How can private health insurers expand their services yet cut premiums? Even if the private health insurance companies do save money on preventative programs, such as weight loss programs, to avoid a hospital stay, these savings will not be passed on overnight; it will take time for these savings to flow on. Under the National Health Act, one of the objectives of the Private Health Insurers Administration Council is to minimise premium levels. In the Private Health Insurance Bill as it stands, this objective has been removed. Why will the government not include this consumer protection?

The potential increase in private health insurance premiums as a result of this package will certainly have a negative financial impact on families who have private health insurance. Of grave concern to me are the individuals who are just over the $50,000 threshold—the point at which the government requires individuals to take out private health insurance or suffer further tax if they do not. The government needs to lift its threshold to accommodate the average real wage increase from $36,000 to $54,000.

Secondly, the last budget included a massive $55 million over a period of four years to increase consumer awareness of the incentives and benefits associated with private health insurance. This is a gross misuse of taxpayers’ funds. It would have been of greater benefit to the public to direct those funds into our ailing health system. Fifty-five million dollars could have been used to buy equipment for our hospitals and to train more staff. How can the government justify spending this amount of money on advertising? It justifies spending this amount of money on advertising because it has done it for the last 11 long years.

Tony Abbott has failed to address the huge challenges facing Australia’s ailing health system. Quality health care is unaffordable for many Australian families. Tony Abbott should be trying to cut the huge waiting lists
in the public health system and he should be trying to find a way to attract and retain doctors and nurses. Instead, Tony Abbott has been throwing mud at Mr Rudd. This Howard government is all about providing for the few at the top with no regard for the little guy. The Howard government governs for itself and not for the country.

There are many benefits associated with having private health insurance, such as flexibility and choice regarding treatment, less waiting time for some procedures, access to the best quality care and general peace of mind. But these benefits are not something all Australians can afford. While this package will benefit the 44 per cent of Australians who can afford private health insurance, the legislation does not provide insurance for the majority of Australians who do not have private health insurance. I am concerned that people who are uninsured will not have access to the best quality services.

A Labor government will secure the future of our healthcare system and, in particular, ensure that the private sector plays a valuable role within that system. The public and private sectors are being placed at risk by the Howard government’s sale of Medibank Private. The bottom line is that Australia needs both public and private healthcare systems to thrive. Australians understand that private hospitals provide a range of specialist surgical and elective procedures while, typically, public hospitals treat emergency patients and patients with acute conditions—a burden they continue to shoulder.

This means Australians need both the public sector and the private sector to thrive. A policymaker who has thrown up their hands in despair of the public system cannot turn their back on it now and solely focus on the private system to solve the mixed system’s weaknesses and downfalls. Rather than address the real policy challenges required to create thriving public hospital and private hospital sectors, the government is obsessed with selling Medibank Private. This is unacceptable to me and unacceptable to the Australian public.

Support for private insurance is discriminatory against those who pay for their own care. Twenty-one per cent of recurrent healthcare expenditure, to the tune of $16 million per year, is paid from the consumer’s own pocket. This proportion is rising steadily. This legislation does not provide for any quality insurance mechanisms for Broader Health Cover to take effect until July 2008. I believe it is an unacceptable risk to have a 15-month wait for the implementation of quality standards. We should delay this legislation until we can be sure that quality standards are being enforced.

I strongly support the requirement for private health insurance funds to provide consumers with standard product information. This will be of significant benefit to our consumers. Labor believes that better informed healthcare consumers will participate more actively in the health decision making process, which would lead to a reduction in the incidence of adverse effects, foster a greater partnership approach between consumers and providers and increase consumer satisfaction with the care provided.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator MINCHIN (South Australia—Leader of the Government in the Senate) (2.45 pm)—by leave—On 5 March and 18 March this year, the Prime Minister announced a number of changes to the ministry. I inform the Senate that, as a result of those changes, Senator Chris Ellison has been appointed to the cabinet—and I congratulate him—as the Minister for Human Services. Senator Ellison will in this place...
take questions not only on Human Services but also on behalf of the portfolios of Health and Ageing, Immigration and Citizenship, Defence and Veterans’ Affairs.

Senator the Hon. David Johnston has been sworn in as the Minister for Justice and Customs and I congratulate him on that appointment. Senator Johnston will take questions on behalf of the portfolio of Transport and Regional Services. Senator Eric Abetz has been properly appointed as the Manager of Government Business in the Senate, and I congratulate him also. Senator Brett Mason will become the new Parliamentary Secretary to the Minister for Health and Ageing, and I commend him on his promotion. Upon the swearing in, which is scheduled for tomorrow, I will table an updated list of the full ministry.

QUESTIONS WITHOUT NOTICE
Ministerial Responsibility

Senator CHRIS EVANS (2.46 pm)—
Firstly, I would like to congratulate the new ministers on their appointments; I hope that they have better luck tomorrow in finding their seats as they move up the chain. My question is to Senator Minchin, the Minister representing the Prime Minister. Can the minister explain why the Prime Minister conspired to keep the former Minister for Ageing’s trading in CBio shares a secret? Why did the Prime Minister not advise the parliament and the public of the issue in October last year when he first became aware of the minister’s clear conflict of interest? Why did he agree to do nothing himself and allow Senator Santoro to finally lodge an incomplete and misleading declaration in December last year—some two months after raising the issue with the Prime Minister? Why did the Prime Minister not insist that the declaration advise the full truth about the CBio shares purchase? Didn’t the Prime Minister fail in his duty to enforce his own ministerial code of conduct and ministerial standards of accountability? Aren’t the public entitled to conclude that the Prime Minister will only act on breaches of his ministerial code if the matter is exposed in the public arena?

Senator MINCHIN—The Prime Minister obviously insists upon all ministers complying with the ministerial code of conduct. It is my understanding that ours is the first government to have such a ministerial code of conduct. The Prime Minister can rightly be proud of the fact that it was he who introduced such a code of conduct and that he ensures that all ministers understand their obligations under his code of conduct to declare their pecuniary interests to him and maintain the contemporary nature of that declaration. All ministers are, of course, also bound by the resolutions of the House of Representatives and the Senate, which also require them to register their pecuniary interests and to maintain them.

It is now obviously well known to one and all that Senator Santo Santoro did neglect to ensure that both the Senate register of interests and the register of interests with the Prime Minister were kept up to date. He has paid the ultimate price for that neglect and tendered his resignation last week as the Minister for Ageing. Could I take this opportunity to commend Senator Santoro on the work he did as Minister for Ageing. I have not heard one word in all the time that has expired on this issue that is derogatory of his actual performance in the ministry—indeed, there are many who have proclaimed the virtue of the very strong performance that he put in as the Minister for Ageing. None of the events that have occurred go to his performance in that role. I think he can rightly be proud of his service since January of last year in that demanding and difficult portfolio.
The Prime Minister acknowledged that, once the issue of CBio had been raised, Senator Santoro dealt with it properly. He wrote immediately to the Prime Minister once he became aware that he had not declared that particular interest. He issued instructions for the shares to be sold. He issued instructions for the profits to go to another organisation and not to himself, and he changed the Senate register accordingly to ensure that it registered that interest and the disposal of that particular interest. It is clear that CBio could represent a conflict and that is why those shares were dealt with as they were. The Prime Minister and his office made it clear to Senator Santoro at the time those matters were drawn to his attention that he must ensure that his declarations of interests to the Prime Minister and to the Senate were full and complete. The Prime Minister has properly executed his responsibilities in ensuring that that former minister and all ministers comply with the rules.

Senator CHRIS EVANS—Mr President, I ask a supplementary question. The minister failed to answer the key aspect of the question: why did the Prime Minister not make public the conflict of interest of his minister when he was advised of it? Why did he allow the minister a further two months before he updated his pecuniary interest register? Why did he allow Senator Santoro to make a declaration which was not full and frank, which was misleading about the dates of the purchase of the shares, and therefore continued to mislead in this matter? Surely the Prime Minister had a responsibility to be open, honest and transparent rather than to allow Senator Santoro to continue to mislead regarding the nature of his share holdings and the dates of their purchase?

Senator MINCHIN—As I said, the Prime Minister was informed by Senator Santoro of this parcel of shares which had come to his attention. Senator Santoro informed the Prime Minister of the course of action which he intended to take, which involved the declaration of that interest on the Senate register. As the Prime Minister indicated last week, the Prime Minister was satisfied with the proposed course of action as outlined by Senator Santoro, and Senator Santoro undertook that course of action.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from Mongolia, led by His Excellency Mr Nyamdorj Tsend, Chairman of the State Great Hural of Mongolia. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate. With the concurrence of honourable senators, I propose to invite His Excellency to take a seat on the floor of the Senate.

Honourable senators—Hear, hear!

Mr Tsend was seated accordingly.

QUESTIONS WITHOUT NOTICE

Workplace Relations

Senator RONALDSON (2.53 pm)—My question is to the Minister representing the Minister for Employment and Workplace Relations, Senator Abetz. Will the minister inform the Senate of employment and wage outcomes in the Australian workforce since WorkChoices was passed into law almost one year ago? Are there any threats to these positive outcomes being continued into the future?

Senator ABETZ—I thank Senator Ronaldson for his question and note that he, like all of us on this side, is committed to getting on with the job of creating more jobs and higher wages for our fellow Australians. That is why the Howard government took the tough but necessary decision to introduce WorkChoices. It was tough because like all of our reforms it was cynically opposed by
those opposite. But it was necessary because we wanted to ensure ongoing jobs and wages growth for our fellow Australians. Almost a year has passed now and the results are in. In four words, the results are more jobs, higher wages. Let me repeat that: more jobs, higher wages—the exact opposite of that which Labor said would happen.

Since Work Choices was passed into law on 27 March 2006, there have been a massive 263,000 jobs created for our fellow Australians. Tellingly, a massive 87 per cent of those jobs—228,810—are full-time jobs; real jobs. What did the Labor Party falsely prophesise would take place? There would be mass sackings, they said. They could not have been more wrong. What we have seen is mass employment, not mass sackings. What about wages? Once again, Labor promised doom and gloom. For example, Labor’s employment spokesman in this place, Senator Wong, repeatedly and falsely asserted that Work Choices would drive down wages. Indeed, so did senators McEwen, Conroy, Sterle and Webber. Get the picture? Every single Labor senator in this place made that false assertion about Work Choices. And the facts? Since the commencement of Work Choices, real wages have risen by 1.5 per cent. In total, real wages have now risen under the Howard government by 19.8 per cent, compared to a fall in real wages under the previous Labor government.

There is indeed a threat to the positive wage and job outcomes that the Howard government has delivered through Work Choices, and the threat is the Labor Party. Make no mistake: if Labor are elected, they will rip up Work Choices; they will rip up 263,000 jobs—and they are cheering. So if Labor gets elected, the jobs of those 263,000 Australians will be ripped up. I thank my colleagues opposite for putting that on the public record. Further, the people of Australia will no longer enjoy the real wage increases that they have obtained.

It is clear that only a strong economy can deliver real wage increases without runaway inflation. The wizardry of the Labor Party when they were last in government gave us high unemployment, high inflation and no real wage increases. That was the wizardry of the Labor Party compared to that of the Howard government, which has delivered real employment growth and real wages growth. The issue that counts for Australians and their families is the opportunity for employment so as to be self-sufficient. The Howard government, by taking the tough but necessary decisions, has delivered on behalf of the people of Australia. I would urge our fellow Australians to consider those issues very carefully in the months to come.

Ministerial Responsibility

Senator CHRIS EVANS (2.57 pm)—My question is to Senator Minchin, representing the Prime Minister. I refer the minister to his press release of 16 March, in which he praised Senator Santoro’s contribution as minister and in which he said, ‘I look forward to his continued contribution to the coalition’s Senate team as Liberal senator for Queensland.’ Minister, do you still believe that deliberately failing to declare his share ownership some 72 times entitles Senator Santoro to continue to represent the coalition Senate team? Didn’t the Prime Minister and Minister Robb today describe Senator Santoro’s actions as unbelievable and indefensible? Do you think that Senator Santoro’s failure to adhere to the Senate rules is acceptable behaviour for Liberal Party senators?

Senator MINCHIN—The Senate passed the resolution on senators’ interests back in 1994. I would remind all senators that they need to observe that resolution regarding the registration of senators’ interests. It is clear
in its obligations on all senators, and I expect that all senators on all sides of the chambers will be reminded by what has occurred of their obligations to ensure that the Register of Senators’ Interests is properly maintained. But let us be realistic about what Senator Santoro has done. He has neglected to ensure that his Senate register of interests properly reflects the full extent of his pecuniary interests. He has failed to observe the requirements of that resolution.

It is a matter for the Senate if it wishes to pursue that matter but, so far as the government is concerned, his failure to properly ensure that his entry into that register was accurately maintained and his coincidental failure to ensure the Prime Minister’s code of conduct was observed have resulted, properly in the circumstances, in him tendering his resignation from the ministry. He has paid an enormous price therefore for his neglect of his responsibilities as a senator and as a minister. I stand by every word I said in the press release.

When one looks at the contribution that any individual, whether on the other side of the chamber or on our side, makes to politics, one must look at all sides of the ledger. I am happy to state in this place that Senator Santo Santoro has been one of the great servants of the Liberal Party throughout the last 20 or 30 years. He has worked tirelessly to advance the cause of the Liberal Party in the state parliament, the state party organisation of Queensland and the federal parliament. He was regarded as an outstanding minister in the then Queensland coalition government and, as I said before, he was widely commended on his performance in the role of Minister for Ageing in this government. On any proper balance of the ledger of Senator Santo Santoro’s performance as a Liberal, both in the state party organisation and in the state and federal parliaments, he has served his party well and with distinction.

Obviously, the actual question of who will be a candidate for the Queensland Liberal Party at the next federal election is a matter for the Queensland division of the Liberal Party, but I note that Senator Santoro has already been selected on the ticket and is a continuing senator for Queensland until 30 June next year. I expect that he will continue to serve his party and his country well as a Queensland Liberal senator.

**Senator CHRISS EVANS**—Mr President, I ask a supplementary question. I note Senator Minchin’s loyalty to a friend and major Liberal Party fundraiser, but is it really the case that Senator Santoro’s failure to properly reflect his share earnings is an apt description of what has occurred? Isn’t it really a trivialisation of the massive serial misleading of the Senate by the declarations made by Senator Santoro? What does it say about the government’s standards if you are to trivialise these matters in this way? Do you not think that the community expects higher standards of behaviour from Liberal Party senators?

**Senator MINCHIN**—That is mischief-making on Senator Evans’s part to suggest that I am seeking to trivialise this issue in any way. Senator Santoro himself knows how serious this matter is. He has enormous regard and respect for the Senate and, in the light of that regard for the Senate, he has tendered his resignation as a minister. I understand he intends to speak to the Senate tonight to explain his failure to observe the resolution of the Senate regarding senators’ interests. He takes this matter seriously, as do I and all members of the government. He had no alternative but to tender his resignation as a minister in the light of the seriousness of the issue.

**Economy**

**Senator TROOD** (3.03 pm)—My question is to the Minister for Finance and Ad-
ministration, Senator Minchin. Will the minister inform the Senate of the very fine results of the December quarter national accounts? What do these figures indicate about the continuing strength of the Australian economy and the need for persistent, strong economic management?

Senator MINCHIN—As Senator Trood indicated, what really matters to the Australian people is the management of the national economy and their wellbeing. Since the Senate last sat the ABS has released, as Senator Trood said, the December quarter national accounts, which indicate that the Australian economy has continued on its longest ever economic expansion. Real GDP grew by a robust one per cent in the quarter to be 2.8 per cent higher throughout the year. The figures confirm the significant impact of the drought, with farm production falling by just over 11 per cent for the quarter and almost 23 per cent for 2006. By contrast, non-farm GDP is growing at a very healthy rate of 3½ per cent per annum—one of the best growth rates in the Western world.

The individual components of the national accounts also indicate the underlying health of the economy. In nominal terms, company profits were up 10.9 per cent for the year. The profit share of the economy is at an all-time high and, while some trade unionists do not like that, the fact is that those healthy profits are what help generate continued strong jobs growth and investment. Private business investment has been at very high levels in recent years but still grew a further 2.1 per cent in 2006. Engineering construction rose 9.6 per cent just in the December quarter. The national accounts measure of inflation—the private consumption and consumer price index—was steady in the quarter, consistent with the negative headline CPI result for that quarter. That reflects the unwinding of high fruit and petrol prices during the December quarter.

The strength of Australia’s terms of trade means that real incomes for Australians have continued to grow faster than real output or GDP. Real national disposable income grew by 3.8 per cent in 2006. In fact, last year, real net disposable incomes per capita were around $7,500 higher than in 1997-98. In other words, the average Australian—that is, every man, woman and child—is now $7,500 better off in real terms than they were just nine years ago. Labour productivity measured by GDP per hour worked in the market sector rose by 1.4 per cent in the quarter, putting a lie to Labor’s claims of stalling productivity growth.

There is no more fundamental responsibility of the federal government than to manage the economy so as to ensure strong growth, low inflation, investment, jobs, profitability and rising real incomes. The national accounts indicate that all these outcomes are now being achieved under the Howard government. Of course, the challenge is to maintain that strong run of economic success. On that, we and the Labor Party agree; we just have vastly different ways of ensuring that success continues. It will require a strong and responsible budget, with a strong surplus. It requires the labour market flexibility we have introduced through Work Choices, which the Labor Party wants to tear up. It requires a balanced and measured response to the challenge of climate change, not the hysteria we get from the Labor Party. And it requires the pursuit by the Council of Australian Governments—that is, all six state Labor governments—of the national reform agenda, because the potential benefits of that have been outlined dramatically by the Productivity Commission. We call the states to join us in that very important reform agenda. Above all, it requires the consistency and discipline which has been a hallmark of the Howard government’s economic management, as opposed to the erratic and opportun-
istic posturing we have seen for a decade from the Labor Party.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s Gallery of the Hon. Jane Aagaard MLA, the Speaker of the Legislative Assembly of the Northern Territory Parliament. On behalf of all senators, I wish you a very warm welcome to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Ministerial Responsibility

Senator McLUCAS (3.07 pm)—My question is to the Minister representing the Minister for Families, Community Services and Indigenous Affairs. Can the minister confirm that Centrelink requires people to inform it of a change in their circumstances within 14 days, including the purchase or sale of any shares or investments? Doesn’t Centrelink’s website state that a failure to do so leaves the individual open to the criminal charge of fraud and a possible fine or a requirement to do community service hours? Can the minister confirm that age pensioners, single parents and people on a disability pension have to comply with this requirement? How can the government insist that individuals comply with these requirements while excusing a senator who repeatedly failed to meet his obligations to report significant share dealings over many years?

Senator SCULLION—There were substantive parts to that question, which I will have to take on notice. The issue that it goes to in terms of equity and accountability is very clear: Senator Santoro has had to meet with a number of obligations in terms of his shareholdings, and so have a number of other people on this side and that side of the table. We have a clear and transparent process in this place concerning declarations of interest, particularly with regard to share portfolios. Quite clearly, the Prime Minister found Senator Santoro to be in breach of those arrangements—and he paid a very high price. You cannot ask for more transparency than what has come from this government. In fact, before this government, I did not see any processes in terms of creating a transparent and accountable framework to ensure that there was complete probity in regard to ministerial responsibilities and potential conflicts of interest. I am very proud to be part of a government that has set the way in that regard, and I do not think there is any inequity concerning requirements for people to make presentations on Centrelink payments and the very high cost that the senator has paid in this regard.

Senator McLUCAS—Mr President, I ask a supplementary question. Can the minister confirm that, if a Centrelink client stated that their failure to report 72 share dealings, involving tens of thousands of dollars over a period of 16 months, was an inadvertent oversight, the breach would be excused? Would the minister consider this excuse believable? Or does he agree with the Prime Minister that such a repeated failure to properly report these matters could not have been an oversight?

Senator SCULLION—It is very clear that the senator is trying to make some sort of comparison between what may happen with a Centrelink breach and a clear breach, an accepted breach, by the minister on this side. He has paid the highest price. I cannot see that we have to answer this in any other way. He has paid the highest price in terms of a breach. Very clearly, the question goes to equity. If someone were on Centrelink payments, would they be required to answer in some particular fashion? I am sorry, I do not have any particulars or details of a Centrelink individual. But what I can say is that this minister has been found wanting by the
Prime Minister and he has paid the very highest price.

Centrelink

Senator IAN MACDONALD (3.11 pm)—My question is to the Minister for Human Services, Senator Ellison. Minister, I was in Innisfail on the weekend, handing over a cheque for $35,000 from the Minister for the Arts and Sport to the Festival of the Senses in that town. The festival fell on the first anniversary of Cyclone Larry. While I was there, people mentioned the great work that Centrelink had done, and I wonder whether the minister would inform the Senate of the role played by Centrelink in the Australian government’s response to that cyclone and also to recent cyclones in Western Australia.

Senator ELLISON—Senator Ian Macdonald, who comes from North Queensland, asks a very important question. It is the time that we mark the first anniversary of Cyclone Larry, which caused so much destruction in Innisfail and changed many people’s lives forever. Senator Macdonald quite rightly points out the great work done by Centrelink staff. Those opposite might be interested to learn of the great work that Centrelink staff have done in assisting people who have been affected by cyclones in this country.

At the time of Cyclone Larry, 400 extra personnel were deployed to the affected area and some 1,400 Centrelink staff worked to provide support payments and relief to those people. I think it is fitting that we reflect now on what has been achieved in the intervening 12 months. Through Centrelink, there have been 37½ ex gratia direct credit payments to victims and 1,119 ex gratia cash payments. The government has approved just over 12,000 business-assisted fund payments, totalling more than $150 million. There have also been income support payments for farmers and small businesses totalling just under $9 million and fuel excise relief totalling around $2.3 million. These are tangible benefits to try and put back on track the lives of many Australians who were affected by Cyclone Larry.

Senator Macdonald mentioned more recent events in Port Hedland, in my home state. Recently, we saw two cyclones in Port Hedland and across the coast, in the space of a couple of days of each other. First there was Cyclone George, a category 4 cyclone, in which, tragically, three people were killed. Again, Centrelink staff came to the fore; they were deployed immediately to the town. I attended a town hall meeting with Barry Haase, the member for Kalgoorlie, the Monday before last and heard firsthand the issues that face the town of Port Hedland and outlying areas. It is interesting to see that already 339 claims have been lodged as a result of Cyclone George. These have come not only from the town of Port Hedland but also from outlying communities and areas. You have to remember that there were mining camps and, as I said, tragically, three deaths in outlying areas. Indigenous communities were cut off, and there was damage to the town of Port Hedland and individual losses.

But what has been so important has been that Centrelink staff have responded quickly and have been on the ground helping people. I think those listening today, both in the Senate and elsewhere, should realise the great work that has been done by Centrelink staff above and beyond the call of duty. Staff were deployed to Port Hedland as soon as they could get there—bearing in mind that the second cyclone, Cyclone Jacob, was crossing on Monday—and they arrived that Monday afternoon. They were stationed at the Port Hedland detention centre and were in action first thing the next morning dealing with the problems the townsfolk had in Port Hedland and the outlying areas.
This does not happen by accident. We have put in place the natural disaster relief arrangements working with state and territory authorities, and I want to acknowledge the great work that has been done by state emergency services, police and other state authorities across the nation in relation to disasters such as this. Local government also plays a very important role. I thank Senator Macdonald for this important question. I think it is a timely reminder for us all of the great work that is being done by so many Australians who rise to the occasion when others are in need as a result of a natural disaster.

**Australian Defence Force Personnel:**

Mental Illness

**Senator BARTLETT** (3.15 pm)—My question is to Senator Ellison, the minister representing the ministers responsible for veterans and Defence personnel issues. I refer to media reports that 121 Australian Defence Force personnel who have recently fought in Iraq and Afghanistan have been discharged as being unfit for further service due to mental illness—including anxiety and depression—with 23 of those people reported to have serious psychological problems as a result of their service. There have also been reports that two returned soldiers have committed suicide after returning from the war zone. Can the minister confirm these reports and can he indicate what ongoing assistance is being provided to those personnel who have been discharged in these circumstances and their families? What action is the government taking to ensure the incidence of harm such as this being done to our servicemen and servicewomen is significantly reduced?

**Senator ELLISON**—I can say to the Senate that we have had substantial funding dedicated to ensure that doctors, medical specialists and allied health providers are able to continue to provide free quality health care to veterans; and this case would be no exception. As to the details of the suicides that Senator Bartlett has mentioned, I am not aware of those. Of course for privacy reasons we would not go into the identity of those concerned. I will look into that and if there is any further information I can provide the Senate then I will.

Veterans returning from Iraq would be able to receive the standard care that we provide to veterans generally. We have provided substantial funding of some additional $600 million. We do have a suicide prevention program. It is of course an issue of concern that people would suffer depression as a result of any deployment—and that they may take their lives. I can say that we have 23 cases of mental health problems being treated. There are other cases which are being treated. I will get further details of those and provide them to the Senate.

**Senator BARTLETT**—Mr President, I ask a supplementary question. Does the minister agree that this degree of severe psychological harm is unacceptable? Does the government believe that more can be done to prevent or to assist in the treatment of psychological illness as a result of active service? Can the minister indicate to the Senate whether the government is planning to do anything differently from now on to guarantee that we do not create a new group of returned service people who have put their lives on the line for their country and their government only to suffer enormously when they return? What is the government planning to do differently before it seeks to commit further troops to these same theatres?

**Senator ELLISON**—As I understand it, a 24-hour confidential hotline is part of the prevention strategy which I have mentioned. There are specialist counselling services
which are provided. There are also fly-in mental health support capabilities for people deployed and post-operation psychological screening. I might add that 75 per cent of ADF suicides occur with no deployment history, compared to five per cent who have been deployed. I think we have to be careful in linking a certain deployment with a subsequent suicide, but certainly the matter is taken very seriously. There is a comprehensive program in place. I will check to see what further detail I can provide Senator Bartlett in relation to this issue.

Child Protection

Senator PATTERSON (3.20 pm)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. I am sure the minister is aware of media reports alleging that the government is failing to prohibit the carriage and transmission of child pornography and child abuse material on the internet and via mail. What is the minister’s response to those reports? I ask her to inform the Senate what the government is doing to prohibit such activities. Is the minister aware of any alternative policies?

Senator COONAN—I thank Senator Patterson for raising this very important matter and for her strong concerns about protecting Australians from abhorrent material such as child abuse material and child pornography. This is a scourge that demands both a focused and a determined approach from every person in this chamber and a collaborative relationship between state and federal governments—and increasingly international law enforcement cooperation. The government has a consistent track record of regulation, legislation and education to combat child pornography.

Over seven years ago the government introduced the online content scheme, which requires internet service providers and hosts to take down offensive and criminal material from their systems and provides significant penalties including criminal penalties for any failure to do so. Similarly, it was this government which made it an offence punishable by up to 15 years in jail to procure or groom a person under 16 years of age online for the purpose of engaging in sexual activity.

The government’s criminal code already prevents the transmission of child pornography and other abhorrent materials through the post by making it an offence for any person to use the postal service in an offensive way. Child pornography and child abuse material clearly fit within that general prohibition, which aims to cast a net as widely as possible to ensure the maximum reach of the law.

This is a critical area of national concern that cannot rely on legislation alone; it must also involve the use of technology to beat paedophiles at their own game as well as educating about both the benefits, which are considerable, and the significant risks of the internet. The Protecting Australian Families Online initiative includes a national filter scheme, at a cost of $93.3 million over three years, to provide every Australian family with a free personal computer based filter or a free filtered service and funding to allow every public library in Australia to set up child-safe internet terminals. I am currently in the final stages of industry consultation on a package of new safeguards which will protect from inappropriate or harmful content on devices such as 3G mobile phones.

Senator Patterson has asked me about alternative policies, and I am aware of media reports that the ALP, after dragging its feet and opposing the online content scheme, is now proposing, via Senator Ludwig this time, a private member’s bill relating to the carriage of child pornography or child abuse material in the mail. While I am prepared to
consider all and any sensible proposals to address the menace of child pornography, this gesture will be seen for what it is. Simply replicating what the government is already effectively doing is an empty gesture designed to achieve nothing more than political grandstanding. In the meantime, the Australian public can be confident that this government will do whatever is necessary to maintain our tough stance on child pornography and in dealing with criminals who exploit young people, both here and overseas.

Ministerial Responsibility

Senator LUDWIG—My question is to Senator Minchin, Minister representing the Prime Minister. Can the minister confirm that in the first four years Senator Santoro was in the Senate, prior to his declaration of December 2006, he only declared owning shares in Telstra and the Queensland Gas Company? Is the minister confident that the earlier nine declarations made by Senator Santoro from December 2002 through to June 2006 are completely accurate? Isn’t it clear from the last week that Senator Santoro has been heavily engaged in share trading over an extended period, potentially since entering the Senate? Will the minister, as the government leader in the Senate, now insist that Senator Santoro tonight make a full and complete explanation to the Senate on his share trading since 2002? Don’t the public and the Senate deserve the truth?

Senator MINCHIN—I think I have already indicated that it is Senator Santoro’s intention to speak to the Senate tonight about this matter. I am not in a position to confirm what is said by Senator Ludwig about the declarations by Senator Santoro upon his ascension to the Senate; I have not checked his register from back in 2002, when he was a backbench senator. The responsibility on all senators is to observe the Register of Senators’ Interests. I expect that all senators will ensure that they maintain the currency of their declarations of senators’ interests. But, as Leader of the Government in the Senate, just as the Prime Minister said, I do not spend every day checking that every senator, whether on this side of the chamber or across the chamber, is maintaining the register of their interests. It should go without saying that all senators should observe the resolution of the Senate passed in 1994 to ensure that they do register their pecuniary interests and ensure that that register is maintained properly and accurately.

Senator Faulkner—So is Senator Santoro going to seek leave to make a personal explanation?

The PRESIDENT—Senator Faulkner! Your colleague is on his feet.

Senator LUDWIG—Thank you Mr President; I do have a supplementary question. Minister, what does it say of the government’s standards that a minister has repeatedly flouted the Senate’s rules on disclosure? Isn’t the declaration of interest a critical accountability mechanism? Isn’t Senator Santoro’s defiance of the Senate’s rules on disclosure further evidence of the government’s arrogance?

Senator MINCHIN—On the contrary, the situation that we have just experienced is evidence of this government’s very high standards. As I said before, ours is the first government to have a ministerial code of conduct. The resignation of Senator Santoro is a reflection of the fact that this government, under Prime Minister Howard, insists on the highest standards from its ministers, and if they fail to meet the standards—to wit, the declaration of pecuniary interests—then the consequences are that they must leave their jobs. As I say, Senator Santoro’s crime—for want of a better word—is that he failed to declare his pecuniary interest, to wit, share trading. It is not ruled out by either
the Senate register or the code of conduct that senators or ministers can own shares in Australian companies. Indeed, this government has spent much of its period in office encouraging Australians to participate in share ownership. That is the accusation. The accusation being made is that you should not own shares. That is a nonsensical position for the opposition to adopt. (Time expired)

Gunns Pulp Mill

Senator MILNE (3.28 pm)—My question is to the Minister representing the Prime Minister, Senator Minchin. Given the collapse of the Commonwealth-accredited joint assessment process for the proposed Gunns pulp mill in Tasmania, brought about by Gunns’ withdrawal from the process; given the subsequent Tasmanian government-proposed fast-tracking of a new Gunns-approved assessment process; and given revelations today that Premier Lennon failed to disclose the extent to which he actively and secretly intervened to facilitate Gunns by promising them legislation to shorten the assessment process before their report to the Stock Exchange and then brought pressure to bear on the Hon. Chris Wright, chair of the RPDC pulp mill assessment panel, to agree to it, will the Commonwealth now consider establishing a royal commission into the Tasmanian pulp mill affair to establish whether there has been collusion over the assessment process between Gunns, Premier Lennon and the Tasmanian government?

Senator MINCHIN—No, we will not. The matters pertaining to the operation of the law in Tasmania are obviously a matter for the people of Tasmania and for their sovereign parliament, and that sovereign parliament and government are answerable to the people of Tasmania for their actions. We will perform our responsibilities with respect to that project under the relevant federal legislation, and we will do so diligently. I do note the controversy surrounding this project, but I also note that for the people of Tasmania it is a vitally important project. It would be by far the biggest private sector investment ever made in the state of Tasmania, but how it is dealt with within Tasmanian law is a matter for the Tasmanian government and the Tasmanian people.

Senator MILNE—Mr President, I ask a supplementary question. I am disappointed to hear the minister rule out a royal commission, since the assessment process was a joint Commonwealth-Tasmanian process and therefore the Commonwealth was involved. I ask the Prime Minister through Senator Minchin whether the Commonwealth was informed by Premier Lennon that he intended to legislate to shorten the process before the Stock Exchange was informed by Gunns. Further, I ask: will the government now guarantee that the new Commonwealth assessment process will be a public inquiry and will it consider the impacts on listed threatened species as is required under the EPBC Act? I would really like to know to what extent the Commonwealth was involved if it is so quick to rule out a royal commission into collusion.

Senator MINCHIN—I personally have no idea what communications may or may not have taken place between the Premier of Tasmania and relevant officers or ministers of the federal government. I am happy to inquire as to what, if any, communications took place. As to the question of the nature of the federal government inquiry, I am advised that under the EPBC Act the assessments do include provision for public comment. I will have to get back to you because I do not have information to hand about the extent to which the inquiry itself is public, but certainly there is provision for public comment.
Ministerial Responsibility

Senator O’BRIEN (3.32 pm)—My question is to Senator Minchin, representing the Prime Minister. I refer to the Prime Minister’s announcement last night of an investigation into the provisions of bed licences to Russell Egan Jr and ask: if the Prime Minister has serious concerns about Senator Santoro’s time as Minister for Ageing, why did he allocate such a task to a yet-to-be-sworn junior minister as an aside during a press conference? Aren’t the public entitled to an independent investigation into Senator Santoro’s time as minister? Why won’t the Prime Minister order such an independent investigation? At the very least, will the government ensure that any inquiry looks at all decisions made by Senator Santoro and their relationship to his extensive shareholdings?

Senator MINCHIN—I did not have the opportunity to see the Prime Minister on The 7.30 Report. I was doing what many of us do and attending a meeting of the state executive of the South Australian Liberal Party. Nevertheless, as I understand it, the Prime Minister was asked the question directly by Mr Kerry O’Brien and the Prime Minister indicated to Kerry O’Brien that he would ask the new Minister for Ageing to have a look at the matter. But, as I am advised, this question goes to the operations of the Superior Care group. The decision to allocate places to that company was made by the Department of Health and Ageing. It was made by the department, and the department has already given extensive evidence to this effect in the Senate estimates hearings on 13 February 2007. I refer Senator Kerry O’Brien to that evidence.

Senator MINCHIN—I really have nothing further to add to the answer I gave earlier. But I would say that I think it is outrageous of Senator Kerry O’Brien to come into this place and accuse the Prime Minister of that behaviour. I think that is outrageous and I am pleased that he withdrew it. The Prime Minister has acted honourably throughout and has insisted on the highest standards from his ministers. As I said, the department has already given evidence on this matter of the Superior Care group. The department has advised that it is reviewing all the relevant documents from the 2006 aged-care approvals round for the Queensland and South Coast planning region. The department advised it has no reason to believe that anything untoward occurred in the allocation process, and Minister Pyne will receive a report from the department by the end of the week.
Senator BARNETT (3.36 pm)—My question is to the Minister for Community Services, Senator the Hon. Nigel Scullion. Will the minister inform the Senate of the government initiatives that are assisting employment opportunities for people with disabilities; in particular, assistance provided in my home state of Tasmania to the organisation Self Help Workplace and Encore Clothing?

Senator SCULLION—I thank the senator for his question and note his longstanding interest in employment opportunities for Tasmanians, particularly those with a disability. This government believes that every Australian has the right to a job. I note that under the previous Labor government close to a million Australians did not have the opportunity for that right. Over a million Australians were unemployed. At the time of the election in 1996 I think 45 federal electorates had more than 10 per cent unemployment. I am very pleased to say that now that figure has changed substantially—the figure is zero. There are no federal electorates with over 10 per cent unemployment. It is interesting to note that unemployment is around 4.5 to 4.6 per cent across Australia. In the Northern Territory it is down to two per cent. We are doing very well.

The government has introduced a number of employment programs ensuring that we can assist Australians into work with business services that directly assist people with a disability to participate in the workforce. Business services have transformed effectively from an employment and activity workplace to a genuine small business, employing over 17,000 Australians with disabilities. The government has assisted business services through their Business Services Assistance Package to make that transition.

One example—and I again thank Senator Barnett for bringing this to my attention—is Self Help Workplace and Encore Clothing in Tasmania. They have 46 supported workers in Youngtown in Tasmania. In 2003-04 their second-hand clothing outlet, Encore Clothing, indicated that they would benefit by being relocated to a purpose-built showroom. As part of the BSAP we got KPMG to assess the business—to go through a pure business assessment—to ensure they could make the transition from an employment and activity workplace to a true small business to get the sustainability that that sector really needs. They identified instantly some $17,000 a year in rental savings as well as a reduction in some supervisory and transportation costs. The BSAP invested some $166,000. Of that, $22,000 went to the relocation, as I have just indicated, of their clothing outlet; $36,000 went to the commercial kitchen fit-out to help their catering business; and another $7,000 went to a special miniforklift to ensure they could move the clothing bales that are fundamental to one of their business wings.

I suppose the real question is: has it worked? The business resoundingly said, ‘Yes, it has; it is the best business idea we could have come up with.’ There are a couple of other indicators. In 2003-04 Encore Clothing had sales of some $46,800 for the year. They have just had a two-week sale, ending last Friday, with sales of $10,000 for nine days trading. It is just fantastic. We estimated the relocation would increase sales to about $70,000 and save about $17,000 rent. The anticipated sales this financial year look like they are going to be over $150,000—a fantastic outcome for this business service. We have had a number of very significant benefits from this.

On the other side of this chamber, what is Labor’s policy? Of course, it is a policy-free zone, but they do like to criticise. Senator
Wong, in a media release dated 15 February, talking about disabled people, indicated that we were not serious about helping people with disabilities. This evidence we have given to the Senate today clearly indicates that is completely incorrect. *(Time expired)*

Ministerial Responsibility

**Senator CARR** (3.41 pm)—My question without notice is to Senator Minchin, Minister representing the Prime Minister. Minister, hasn’t the Prime Minister taken his eye off the ball when it comes to ministerial standards? Isn’t the Prime Minister personally responsible for allowing Senator Santoro’s questionable behaviour to go unchecked for some time, given that he, first, covered up Senator Santoro’s share trading breach in October 2006; second, failed to act when Senator Santoro’s Liberal mate Russell Egan Jr boasted that he hit the jackpot in being awarded 94 aged-care bed licences in January 2007; third, looked the other way when Senator Santoro fronted a Liberal Party fundraiser sponsored by an aged-care provider in January 2007; and, fourth, ignored the two ongoing Australian Electoral Commission investigations into Queensland Liberal Party fundraising? Isn’t an inquiry by a new junior minister too little, too late?

**Senator MINCHIN**—That was a rant at the end of question time which made no sense and did not contribute anything to the debate. It was essentially a repetition of questions asked earlier. I am happy to repeat my answers to the questions regarding this matter. The Prime Minister has acted properly and honourably in respect of this matter at all times. When the matter of CBio was drawn to his attention he required Senator Santoro to act according to a proper and honourable course of action. He required him to dispose of those shares. The profits from those shares were given to another organisation. He ensured that the declarations were properly made. When the Prime Minister learnt last week of the nondeclaration of a series of share transactions during the course of Senator Santoro’s period as minister, Senator Santoro tendered his resignation, which the Prime Minister properly accepted. The Prime Minister’s conduct has been exemplary throughout this period. The Prime Minister expects very high standards from his ministers. Senator Santoro regretfully failed to meet those high standards and has paid the price.

I repeat that Senator Santoro is regarded throughout the aged-care industry, and I think throughout Australia, as having been a very good senator and Minister for Ageing and will be remembered well for his performance in this portfolio. He got on top of a very difficult portfolio very quickly indeed. His only sin was to not declare shares which he bought and sold during that period.

How does this compare to the performance of ministers in other states? Senator Carr from the Labor Party, this factional hack from the Victorian Labor Party who is always at war with his other factional hack—they are trying to kill each other in Victoria—represents a party which is responsible for the most appalling performance by ministers in its state governments. What is he doing about the performance of ministers in state Labor governments?

We have in the state of New South Wales the outrageous position of a former minister called Milton Orkopoulos being sacked for child sex allegations. We have Mr Carl Scully, the then police minister, sacked for twice misleading parliament over a report on the Cronulla riots. We have Tony Stewart, a parliamentary secretary, sacked for drink-driving. In Western Australia we have had an itinerant lot of ministers sacked because of their dealings with the disgraced Mr Brian Burke, the friend of Kevin Rudd—all
sacked; it is a wonder there is even a ministry in Western Australia. In Tasmania, we have had a minister called Bryan Green, the deputy premier, sacked for conspiracy. It is a disgrace what has been going on in Victoria.

The PRESIDENT—Order! Minister, I would remind you of the standing order about reflecting on people in other places and I draw your attention to that. You cannot reflect on sitting members in other places.

Senator MINCHIN—Mr President, I am merely reporting to you the facts of ministers in other state Labor governments who have been sacked or dismissed in disgrace because of their behaviour. I am reporting to this Senate facts about the performance of state Labor governments.

Senator CARR—Mr President, I ask a supplementary question. I ask the minister: rather than engaging in the blame game, how many warnings does the Prime Minister need to have before he realises that the standards of his government have swept to new lows? Why should the Australian people have any faith in your government’s ability to adhere to proper standards of accountability into the future?

Senator MINCHIN—We on this side are sick of this holier-than-thou nonsense from the Australian Labor Party with a leader who consorts with a known and disgraced former premier not once, not twice, but thrice; with a shadow Attorney-General giving references to known crime bosses and being dismissed in disgrace. Don’t you lecture us about standards. Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Ministerial Responsibility

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (3.46 pm)—I move:

That the Senate take note of answers given by the Minister for Finance and Administration (Senator Minchin) to questions without notice asked by Opposition senators today relating to senators’ interests and ministerial responsibility. It took six questions to get there but finally we got Senator Minchin interested and wound up. What did we get? We got: ‘Let’s slur everybody else because we cannot defend our own standards.’ That is fine; I am happy to debate that, but what we had is: ‘The only defence we have got against the failure of our government to have standards is to say, “Other people do it too.”’ That is the only defence he had. Earlier Senator Minchin gave a very spirited defence of his factional mate Senator Santoro. They have been close for a long time. The Prime Minister has been close to the senator for a long time. Why? Because they keep beating up on the small ‘l’ liberals, the wets, inside the party. Their factional loyalties saw Senator Santoro promoted to the ministry, and no-one claimed he was promoted on merit. No-one on that side of the chamber said it was based on merit.

Putting that to one side, we have the leader in the Senate, Senator Minchin, defending his mate—a very spirited defence—and trivialising completely the offences that Senator Santoro has confessed to. Senator Minchin dismisses it all as a minor problem of failing to declare his interests and says that we all ought to move on. He has been sacked as minister. There is no problem. There is nothing else that anyone ought to worry about. Senator Scullion said he has paid the highest price of all, when explaining that people who misrepresent their financial dealings who are social security recipients actually go to jail. I think some of them would think they paid a bit of a higher price when they got jailed. But the key questions are—

Government senators interjecting—
Senator CHRIS EVANS—Senators on the other side will want to raise all these other issues and that is fine, but the question is: why didn’t the Prime Minister become open and transparent with the public when he discovered Senator Santoro’s conflict of interest? Prime Minister Howard had the opportunity to issue a press release, mention it publicly or insist that Senator Santoro come clean. But in October, when he was told of Senator Santoro’s clear breach and clear conflict of interest, he said, ‘Just fix it up quietly, put in a return and don’t you worry about it.’ So two months later Senator Santoro updates his declaration but, interestingly, is it a full and frank declaration? No. Does it come clean on when the shares were bought? No. It deliberately set out to mislead about when the shares were purchased, and the Prime Minister was involved in that declaration. In fact, the Prime Minister’s office a couple of days later had to get him to fix it up because he confessed to share trading, which is another clear breach. So the PM’s office fixed that up as well.

But why didn’t the PM come clean when his mate came and said, ‘I’ve breached your guidelines’? He had the opportunity to make a public statement. He had the opportunity to ask Senator Santoro to come into the parliament. He had an opportunity to ask Senator Santoro to make it public but, no, he asked him to put in the fix, put in a declaration, which was not open and honest and transparent, a declaration which sought to mislead about when the shares were purchased submitted two months later. That is what John Howard says are the high standards of accountability for his ministers. What nonsense! And we have Senator Minchin trivialising what has occurred.

As with Senator Lightfoot’s previous dealings, I accept that mistakes can be made. Senator Lightfoot came in and said he had made a mistake on a previous occasion. I accepted the fact that it was an honest mistake on the basis of his declaration, but 72 failures to declare shares, 72 failures to remember that he was trading in shares, are clearly not inadvertent; clearly there was an attempt to set out to mislead. That has got to be taken seriously.

I am pleased to hear that Senator Santoro will come into this place eventually and make a personal explanation, but there is a lot of ground he is going to have to cover. The test for him is not only that of a minister; the test for him is as a senator: whether he is fit to hold the office of senator—that is, whether he has complied with the requirements of a senator or whether he has set out to deliberately mislead the Senate. It is a very serious charge and a charge that can be fairly laid against him at the moment. He has to prove why he should not be judged to have deliberately misled the Senate and then be assessed on that. (Time expired)

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (3.52 pm)—What we are witnessing today is a classical example of the Australian Labor Party saying, ‘Do as we say, not as we do.’

The Leader of the Government in this place, who sought to lead the charge and assault on Senator Santoro and the government today, presided over—

Senator Chris Evans—I’m not the Leader of the Government, actually.

Senator ABETZ—The Leader of the Opposition in this place presided over the state secretariaship of the Labor Party in Western Australia and knowingly used Labor Party funds to pay off the gambling debts of a Labor Attorney-General so they would not become public. That is the standard that Senator Chris Evans brings to this debate. And that was before he got into the Senate. It is something he has never apologised for. A question needs to be asked of Senator Evans:
would he accept that standard for an Attorney-General in a Labor government? The fact that Senator Evans has never apologised for that is a message loud and clear to the Australian people that he would deliberately cover up the gambling debts of an Attorney-General, the first law officer of the state of Western Australia, so that the Labor Party would not fall into disrepute.

Senator Chris Evans—It’s all in the public arena.

Senator ABETZ—It is all on the public record now, after the event. It shows the two-faced nature of this approach. Having earned his stripes in these sorts of deals, he was then moved into the Senate. I remember that, when I was sitting on the other side and Senator Evans was sitting on the government side, he was seen as one of the leading lights—one of the up-and-coming Labor lights. Where was he when we had discussions in this place about the then Treasurer, Mr Keating, failing to lodge his tax returns? There he was: defending Mr Keating. Where was Senator Evans when Senator Richardson failed to disclose a registrable instrument, being a director of a commercial radio station? There he was: defending Senator Richardson. They are the sorts of standards that Senator Evans brings into this debate.

Mr Deputy President, if you want to come into these sorts of debates, you have to come with clean hands, and Senator Evans’s are as filthy as they get.

Mr Deputy President, I say this to you: to err is human. We all make mistakes. The test is not whether we make mistakes; the test is how we deal with those mistakes when we are confronted by them. Senator Santoro resigned. Senator Campbell resigned. From the Labor Party, Mr Kelvin Thomson resigned. The only person that has not resigned is Mr Kevin Rudd, who deliberately sought to sup with Brian Burke for his own personal political advantage. Make no mistake: the reason the Australian Labor Party has now continued with this assault is a desperate attempt to raise a smokescreen so the media will not continue to ask what Mr Rudd was doing at breakfast, lunch and dinner with Mr Brian Burke. The excuses Mr Rudd has come up with to date simply do not wash. They are not honest. I withdraw that. They are not believable. The reason they are not believable is that the email trail has now come out, and it has exposed the excuses of Mr Rudd as being absolutely implausible.

If Mr Howard, the Prime Minister, is to be responsible for an improper share disclosure by Senator Santoro, possibly those opposite could tell us the responsibility of Morris Iemma for his ministers’ activities, which I will not go into in detail. What about Premier Carpenter, in Western Australia? What about Premier Lennon, in Tasmania, whose minister is currently facing criminal charges? Let there be no doubt that the Labor Party do not come into this debate with clean hands, nor would they apply the standards they profess on their own state Labor premiers, which shows once again how shallow, how hollow, they are. All they do is continue the lie of that paragon of virtue, Senator Richardson. (Time expired)

Senator McLUCAS (Queensland) (3.57 pm)—I too rise to take note of answers given by Senator Minchin during question time today. We all know that the Prime Minister wants to draw a line under events surrounding Senator Santoro and his lack of compliance with both the Senate rules and the ministerial code of conduct. Of course he wants to draw a line under these events. The Prime Minister himself said that they are embarrassing. He said himself that he is angry. Of course he does not want the scrutiny that we are obliged to apply to his behaviour along with that of the former Minister for Ageing. Of course he does not want us to look at
what has occurred but, unfortunately, that is what we are obliged to do.

It is important, in these circumstances, to look at the time line of events leading up to 3 pm last Friday. The declaration on 6 September by the former Minister for Ageing stated that there were no shareholdings held by that minister. It would seem that at that point the Prime Minister and his office did not take the opportunity to ask any questions. They clearly did not use the opportunity to look at that declaration. On 27 January 2006 Senator Santoro was sworn as a minister of the Crown. At that time he had a responsibility for arthritis and musculoskeletal conditions. According to what he has said to the media, he owned a package of shares in CBio, a company which is investigating pharmaceuticals in the use of arthritis. The ministerial code of conduct said:

Ministers are required to divest themselves, or relinquish control, of all shares and similar interests in any company or business involved in the area of their portfolio responsibilities.

At around the same time, when he became a minister, the minister would have had to declare his financial interests on the Prime Minister’s register of interests for ministers. He said that he overlooked the CBio shares when sorting out his listed portfolio to comply with ministerial requirements, so the shares were not declared to the Prime Minister at that time. We also know that he says that he has divested himself of other packages of shares that he thought did conflict with his ministerial responsibilities. The question that has to be asked is whether he advised the Prime Minister at that time of the divestments that he made of packages of shares which he has acknowledged were in conflict with his ministerial responsibilities.

We also know that, in August 2006, CBio announced that its government supported study had delivered a significant new anti-inflammatory compound which could provide new hope for arthritis sufferers. At that time, there was a range of media commentary about the success of CBio. It is unbelievable in the extreme that the former minister did not twig to his ownership of CBio shares at that time. These successes were very widely reported. They were reported in the mainstream media, and they were reported in the medical journal *Lancet*. As we know, Senator Santoro had responsibility for arthritis. He would have received, through his ministerial office, relevant clippings. If he read the clippings saying that CBio had been enormously successful, surely at that point he would have twigged to the fact that he had, in his ‘bottom drawer’—to use his own words—a set of shares.

More important is the role of the Prime Minister. Why did the Prime Minister not ensure that the register was correct in October 2006 when the minister said he owned the shares? It is inconceivable that he did not ask the minister if he had any other shareholdings. Why did the Prime Minister cover up and not immediately require—at that point, in October 2006—that the register be changed? (Time expired)

**Senator CHAPMAN** (South Australia)

(4.02 pm)—The central allegation of the Labor opposition today in the Senate is what we just heard in the concluding remarks of Senator McLucas—that is, the Prime Minister covered up Senator Santoro’s failure to disclose his share trading activities. This allegation is absolutely unproven. There is not one whit of evidence to support this scurrilous allegation by the Labor opposition against the Prime Minister. On the contrary, the Prime Minister made clear to my colleague Senator Santoro his obligations both as a minister and as a senator. With regard to CBio, the Prime Minister required the disposal of those shares immediately he became aware of the situation. The Prime Minister
also ensured the correction of the declaration when he became aware that the declaration was not accurate. When the Prime Minister became aware of further matters regarding Senator Santoro, he required Senator Santoro’s resignation. So this allegation against the Prime Minister is absolutely ludicrous.

The fact is that Prime Minister John Howard is the first Australian Prime Minister to establish a public ministerial code. It did not exist prior to the election of the Howard coalition government. It was this Prime Minister who introduced that code and, in the context of this particular situation, has ensured compliance with that code. In a letter to Senator Santoro on 27 January 2006, the Prime Minister set out in a very explicit and detailed manner Senator Santoro’s obligations as a minister. The same letter also outlined Senator Santoro’s obligations as a senator. There was also correspondence from the Prime Minister and discussions between the Prime Minister’s former chief of staff and the minister and his chief of staff in which the minister’s obligations to both the Senate and the Prime Minister were made very clear. It has obviously been found that Senator Santoro did not comply with those obligations, and he has paid the ultimate price as a direct consequence. He has been forced to resign as a minister. Senator Santoro will be making his own comments to the Senate later today in the adjournment debate. We should perhaps wait to hear what Senator Santoro has to say in that regard.

Earlier, in question time today, the Leader of the Government in the Senate, Senator Minchin, detailed a number of state Labor government ministers around this country who have been sacked as a result of their nefarious activities. I say ‘state Labor governments’—not just one state Labor government but several: in Western Australia, New South Wales and Tasmania. Do we see the Labor premiers of those states accepting responsibility for the behaviour of those ministers? No. The ministers have been sacked, and that has essentially been the end of the matter. This allegation against the Prime Minister simply does not stand up to scrutiny.

Senator Santoro has acknowledged that he was in breach of the rules of the Senate, and he has resigned. The Prime Minister responded in the strongest possible terms, expressing his anger and disappointment regarding this issue, and the mistakes have been dealt with. As Minister Abetz said a few moments ago, Senator Santoro resigned; Senator Ian Campbell resigned in the circumstances with which he was faced; even Labor’s shadow Attorney-General, Mr Kevin Thomson, resigned over the letter of reference which he wrote for an acknowledged criminal. But of course, the Leader of the Opposition, Mr Rudd, has not resigned, despite his association with a nefarious convicted criminal, Mr Burke, the former Premier of Western Australia. Mr Rudd had three quite explicit meetings with Mr Burke during which no doubt Mr Rudd was seeking Mr Burke’s acquiescence and support in moving into the leadership of the Labor Party. Mr Rudd has refused to resign as a result of that very clear association.

The allegations made against the Prime Minister with regard to this issue are hollow and quite unsubstantiated. They do not stand up to any test. They contrast markedly with the Labor Party’s attitude to their own. They do not come to this debate with clean hands in any sense, as Minister Abetz said. The issue simply does not stand up to scrutiny, and the charges are unproven. (Time expired)

Senator O’BRIEN (Tasmania) (4.07 pm)—I am really disturbed at the way the government responds to the legitimate questions of the opposition in relation to the be-
haviour of a minister of the Crown, clearly and flagrantly in breach of the Prime Minister’s code of conduct. I know that the public hate these sorts of matters, but they do expect the opposition to pursue the government in relation to these sorts of matters in an appropriate way—and that is what the opposition has been doing today.

But what have we seen in defence from Senator Abetz and Senator Chapman? They have been dipping into the mud bucket and trying to throw the mud at whomever they think it might stick to. They have been trying to raise the hoary old chestnuts about Kevin Rudd—matters that he himself revealed months ago, which the government only recently decided to dredge up because it thought that there was a political advantage. The fact of the matter is that the public do not like this sort of behaviour from the government. We can see that the reaction of the public to this sort of behaviour has been to mark down the Prime Minister.

What have we asked in relation to the Prime Minister’s actions? We asked why, when he first became aware of Senator Santoro’s flagrant breach of his prime ministerial code of conduct, he did not make it public and indicate that he had required certain action, and, indeed, why he did not dismiss Senator Santoro then. He dismissed former Senator Jim Short from his portfolio because he had ANZ shares—shares that somehow impacted on his portfolio—and now the Prime Minister has the temerity to come out and say, ‘Maybe I should not have even done that.’ The only credible actions that the Prime Minister has ever taken were the dismissals of Jim Short and Brian Gibson from their portfolios because they breached the code. Subsequent to that, it was almost impossible to find a reason to dismiss a minister under the Prime Minister’s ministerial code of conduct.

In this case, when the truth finally came out, there was no choice—and all of this against the background of the government’s attempt to besmirch the name of the Leader of the Opposition for base political purposes. With the claims of occurrences in other states, the government has effectively been saying, ‘Because there are problems elsewhere, you have no right as an opposition to raise matters here in this parliament.’ I can assure the government and the public that the opposition will be raising matters, particularly where ministers breach the government’s own code of conduct—a code which, as I understand it, existed in the cabinet minutes under a Labor government and was observed. After trumpeting the code of conduct and trumpeting that there would be a new standard of government, this government has ignored that code for the best part of a decade after finding it inconvenient to have to enforce it against its own ministers.

In relation to Senator Santoro’s actions in particular areas in which there may have been a conflict of interest when he was a minister, I found it amazing that, as an aside during a press conference, the Prime Minister effectively said to the then yet-to-be-sworn new junior minister, Mr Pyne, that he was giving him the charter of investigating the case. Talk about policy on the run by the Prime Minister! And now we hear from Senator Minchin that, in fact, an investigation was underway. What does that mean? Does it mean that the Prime Minister was making it up as he went along; that he had no idea what was going on; that he was trying to get a glib answer to deal with a question from, I might say, my namesake on The 7.30 Report? Is that all the Prime Minister was doing? Why would you as the Prime Minister make a decision such as that on the run? In fact, why didn’t the Prime Minister make a decision earlier to order an independent investigation into all of the actions of Sena-
tor Santoro so that we could all be sure that a conflict of interest was not motivating decisions that this minister made when in office? It is, frankly, an unbelievable proposition to think that the government has not considered this. The public expects that there will be proper activity by this government in relation to the ex-minister’s answers so that we can all be sure that the buck can stop—  

(Time expired)

Question agreed to.

**Australian Defence Force Personnel: Mental Illness**

Senator BARTLETT (Queensland) (4.12 pm)—I move:

That the Senate take note of the answer given by the Minister for Human Services (Senator Ellison) to a question without notice asked by me today relating to Australian Defence Force personnel.

In question time today I asked Senator Ellison a question which concerned media reports of a significant number of Australian Defence Force personnel who have been discharged after recent service in Iraq and Afghanistan with significant psychological health issues.

I appreciate that the government is distracted at the moment. As we just heard in the speeches from opposition and government senators on the motion to take note, everybody is focused on the political point of the moment. That is understandable and I do not criticise that. I also appreciate that the minister responsible for answering my question, Senator Ellison, only represents the actual minister responsible, who is in the House of Representatives. But I do think that, in amongst all of the political drama of the moment, we need to make sure that we do not forget some of those very important issues out in the wider world—including, of course, the continuing conflict in Iraq and, indeed, the continuing conflict in Afghanistan and the impact on and the role being played by Australian Defence Force personnel.

It is very easy for people to forget—particularly when they are distracted by the political dramas of the moment—about the impact on our defence personnel, on our service men and women, when serving in places like Iraq and Afghanistan. But, whilst we are all very relieved that there have been minimal deaths of Australians in these conflicts— I think there have been two Australian citizens killed while serving in Iraq and one killed in Afghanistan—that should not make people think that the impact has been limited to that small number of people and their immediate families.

As these media reports today indicate, 121 Australian Defence Force personnel have been discharged as unfit for further service due to psychological health and mental health issues—some of them quite severe. Whilst I do not know the details of many of those cases, I think it quite clear that history shows us that a number of those people will be significantly harmed for a prolonged period of time. Their lives will suffer significant detriment, as will the lives of their partners, their children, their immediate family and their friends. These people suffer a direct consequence of serving their country and serving this government in the war in Iraq. We need to make sure that those people are not forgotten.

Frankly, service personnel have been forgotten too often before. Regardless of your views about a particular conflict, the simple fact is that it is the role of defence service personnel to serve in those conflicts. The least we can do is to minimise the prospect of them suffering any harm not only as a casualty directly in the line of fire but also as a wider consequence of their service. I get a very clear message from ex-service organis-
tions that not enough is done to minimise that harm. I also get a very clear message from many in the veterans and ex-service community that, whilst there have been some improvements and helpful support is provided to many people, we still are still falling short too often. It is particularly in the area of mental health and the psychological consequences of active service that we fall well short.

I would have liked to have seen a much stronger commitment from the minister today. I appreciate he is not the direct minister responsible, but I would like to think that there is still a clear focus from ministers in this government on the issues that matter out in the wider community rather than on the political problems of the moment. The issues that matter out in the wider community for family and friends as well as service personnel themselves is that we must continually strive to do better to assist our service personnel, particularly at a time when we have a government that is continually looking at sending them into continuing service in places like Iraq and Afghanistan. I do not believe we should be continually looking to send further troops into those areas until we can get an absolute clear-cut commitment from this government that more will be done to reduce the incidence of this type of harm and to provide assistance to those who are harmed in this way from their commitment to the country. (Time expired)

PETITIONS

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

Nuclear Energy

To the honourable the President and members of the Senate in Parliament assembled. The petition of the undersigned draws to the attention of the Senate that Australians do not need or want an expanded nuclear industry, including nuclear power in Australia.

The petitioners say there is ample evidence that:
(a) engagement in the nuclear cycle leads to growth in nuclear weapons and potentially dirty bombs;
(b) uranium mining and enrichment and nuclear waste reprocessing are energy intensive processes that contribute significantly to greenhouse gas emissions;
(c) uranium is a finite, non-renewable, energy source;
(d) the nuclear cycle creates enormous amounts of long lived radioactive and toxic chemical waste for which there is still no long-term storage solution;
(e) nuclear power is unviable without huge public subsidies;
(f) nuclear power reactors take 10-20 yrs to build and cannot address climate change in the short-term; and
(g) nuclear power generation is not accident free.

The petitioners therefore request that the Federal Government abandon its plans to expand uranium mining, enrich uranium, and build nuclear power plants in Australia, and instead introduce a carbon levy, encouraging investment in renewable energy and energy efficiency.

by Senator Allison (from 75 citizens)

Mary River: Proposed Dams

To the Honourable the President and Members of the Senate in Parliament assembled. The Petition of the undersigned draws to the attention of the Senate that the dams proposed to be built by the Queensland State Government at Traveston crossing on the Mary River and Wyaralong in the Logan River catchment, will have a significant impact on matters of national environmental significance and as a result will trigger the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act 1999.

The petitioners note that according to section 87 of the EPBC Act 1999 the Environment Minister decides which assessment approach to assess the relevant impacts of the action. Because of the significant impact the proposed dams will have...
on matters of national and environmental significance, we call on the Federal Environment Minister to undertake an assessment by inquiry (section 87(1)(e) of the EPBC Act 1999).

by Senator Bartlett (from 176 citizens)

Petitions received.

NOTICES

Presentation

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

That the Senate:

(a) notes that:

(i) March 2007 marks the one year anniversary of Mr David Hicks’ solitary confinement,

(ii) in less than 7 days, Mr Hicks will be forced to front up to a military commission process that is a sham, and

(iii) the date for Mr Hicks’ Federal Court of Australia case against the Australian Government’s inaction to protect a citizen abroad has been set for 17 May 2007;

(b) recognises the urgency for the Government to investigate reports that Mr Hicks was sedated forcibly before being told of the sworn charges against him; and

(c) calls for relevant ministers and independent health professionals to visit Guantanamo Bay immediately to assess, first hand, its conditions and the health of Mr Hicks.

Senator Allison to move on the next day of sitting:

(1) That the following matter be referred to the Community Affairs Committee for inquiry and report by 30 June 2008:

Ongoing efforts towards improving mental health services in Australia, with reference to the National Action Plan on Mental Health agreed upon at the July 2006 meeting of the Council of Australian Governments, particularly examining the commitments and contributions of the different levels of government with regard to their respective roles and responsibilities.

(2) That the committee, in considering this matter, give consideration to:

(a) the extent to which the action plan assists in achieving the aims and objectives of the National Mental Health Strategy;

(b) the overall contribution of the action plan to the development of a coordinated infrastructure to support community-based care;

(c) progress towards implementing the recommendations of the Select Committee on Mental Health, as outlined in its report A national approach to mental health – from crisis to community; and

(d) identifying any possible remaining gaps or shortfalls in funding and in the range of services available for people with a mental illness.

Senator Ludwig to move on the next day of sitting:


Senator HUTCHINS (New South Wales) (4.19 pm)—I, and also on behalf of Senators Faulkner, George Campbell, Stephens and Forshaw, give notice that, on the next day of sitting, I shall move:

That the Senate notes:

(a) the 75th anniversary of the opening of the Sydney Harbour Bridge;

(b) the efforts of the estimated 4,000-strong unionised workforce which contributed to the construction of the bridge over a period of 10 years from 1922 to 1932, whose legacy is now an icon around the world;
(c) the significant role unions played in securing fair wages and working conditions for bridge workers; and
(d) the 16 workers who lost their lives during construction of the bridge, including Sydney Edward Addison, Francis Chilvers, Alfred Edmunds, Percy Poole, James Campbell, Robert Craig, Alexander Faulkner, Thomas McKeown, August Peterson, Nathaniel Swandells, Henry Waters, Henry Webb, William Woods, Frederick Gillon, Robert Graham and Edward Shirley.

Senator Abetz to move on the next day of sitting:

That:

(1) On Thursday, 22 March 2007:
   (a) the hours of meeting shall be 9.30 am to 6.30 pm and 7.30 pm to 11.40 pm;
   (b) the routine of business from 12.45 pm till not later than 2 pm, and from 7.30 pm shall be government business only;
   (c) divisions may take place after 4.30 pm; and
   (d) the question for the adjournment of the Senate shall be proposed at 11 pm.

(2) The Senate shall sit on Friday, 23 March 2007 and that:
   (a) the hours of meeting shall be 9.30 am to 4.10 pm;
   (b) the routine of business shall be:
      (i) notices of motion, and
      (ii) government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 3.30 pm.

(3) On Tuesday, 27 March 2007:
   (a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
   (b) the routine of business from 7.30 pm shall be government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 10 pm.

(4) On Thursday, 29 March 2007:
   (a) the hours of meeting shall be 9.30 am to 6.30 pm and 7.30 pm to adjournment;
   (b) consideration of general business and consideration of committee reports, government responses and Auditor-General’s reports under standing order 62(1) and (2) shall not be proceeded with;
   (c) the routine of business from 12.45 pm till not later than 2 pm, and from not later than 4.30 pm shall be government business only;
   (d) divisions may take place after 4.30 pm; and
   (e) the question for the adjournment of the Senate shall be proposed after the Senate has finally considered the bills listed below, including any messages from the House of Representatives:
      Aged Care Amendment (Security and Protection) Bill 2007
      Airports Amendment Bill 2006
      Airspace Bill 2006
      Airspace (Consequential Measures) Bill 2006
      Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007
      Appropriation Bill (No. 3) 2006-2007
      Appropriation Bill (No. 4) 2006-2007
      AusCheck Bill 2006
      Corporations Amendment (Takeovers) Bill 2007
      Employment and Workplace Relations Legislation Amendment (Welfare to Work and Vocational Rehabilitation Services) Bill 2006
      Energy Efficiency Opportunities Amendment Bill 2006
      Farm Household Support Amendment Bill 2007
Health Insurance Amendment (Provider Number Review) Bill 2007
Migration Legislation Amendment (Information and Other Measures) Bill 2007
Migration Amendment (Review Provisions) Bill 2006 [2007]
Migration Amendment (Border Integrity) Bill 2006
Native Title Amendment Bill 2006
Private Health Insurance Bill 2006
Private Health Insurance (Transitional Provisions and Consequential Amendments) Bill 2006
Private Health Insurance (Prostheses Application and Listing Fees) Bill 2006
Private Health Insurance (Collapsed Organization Levy) Amendment Bill 2006
Private Health Insurance Complaints Levy Amendment Bill 2006
Private Health Insurance (Council Administration Levy) Amendment Bill 2006
Private Health Insurance (Reinsurance Trust Fund Levy) Amendment Bill 2006
Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006
Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill 2007
Tax Laws Amendment (2006 Measures No. 7) Bill 2006

Senator Milne to move on the next day of sitting:
That the Senate:
(a) notes:
(i) that Gunns Limited, proponents of Tasmania’s proposed Bell Bay pulp mill, abandoned the independent Resource Planning and Development Commission environment assessment process, accredited by both the Tasmanian and Commonwealth Governments on 14 March 2007, and
(ii) the Tasmanian Government’s fast-track process, approved by Gunns, will not include the public and will not assess impacts on threatened species;
(b) considers that commitment to due process is vitally important; and
(c) calls on the Government to establish a public inquiry into the pulp mill under the Environment Protection and Biodiversity Conservation Act 1999, specifically including its impacts on listed threatened species, such as the Tasmanian wedge-tailed eagle.

Senator Nettle to move on the next day of sitting:
That the Senate:
(a) notes:
(i) that 82 Sri Lankan asylum seekers have been transferred to Nauru,
(ii) claims by one of the asylum seekers that they were ‘detained and tortured’ and that he witnessed five of his friends being shot, and
(iii) that the Government lacked the support of the Senate to expand offshore processing and did not proceed in 2006 with its Migration Amendment (Designated Unauthorised Arrivals) Bill 2006; and
(b) calls on the Government to assess the protection claims of these asylum seekers fairly on the Australian mainland.

Senator Milne to move on the next day of sitting:
That the Senate:
(a) welcomes the decision by the European Union (EU) to cut carbon dioxide emis-
sions by 2020 to 20 per cent below 1990 levels; and
(b) calls on the Government to match or better the EU’s target.

Senator Nettle to move on the next day of sitting:
That the Senate:
(a) notes:
(i) the recent attacks and beatings of Zimbabwean opposition members, including Movement for Democratic Change leader Mr Morgan Tsvangirai and Movement for Democratic Change spokesperson Mr Nelson Chamisa,
(ii) the news that Zimbabwean President Mr Mugabe is importing up to 3,000 militia men from Angola to help bolster the ability of his own police force to clamp down on the opposition,
(iii) that Mr David Coulter from the Movement for Democratic Change has urged more concrete diplomatic action from Australia to help resolve the democratic and humanitarian crisis in Zimbabwe, and
(iv) that former Zimbabwean Test Cricket Captain, Mr Andy Flowers, has in March 2007 called for sporting sanctions to be imposed on Zimbabwe; and
(b) calls on the Government to:
(i) convene diplomatic meetings with other Commonwealth nations to push for further diplomatic, financial, aid and trade measures against the Mugabe regime, and
(ii) consider compensating Cricket Australia for any loses imposed on them by the International Cricket Council if they cancel their scheduled tour of Zimbabwe later in 2007.

Withdrawal
SenatorWatson(Tasmania)
On behalf of the Standing Committee on Regulations and Ordinances and pursuant to notice given at the last day of sitting, I shall now withdraw business of the Senate notice of motion No. 1 standing in my name for two days after today.

LEAVE OF ABSENCE
SenatorNash(New South Wales)
That leave of absence be granted to Senator Ferris for the period of 20 March to 29 March 2007, for personal reasons.
Question agreed to.

NOTICES
Postponement
The following items of business were postponed:
Business of the Senate notice of motion No. 3 standing in the name of Senator Bartlett for 21 March 2007, proposing the reference of a matter to the Rural and Regional Affairs and Transport Committee, postponed till 26 March 2007.
General business notice of motion No. 680 standing in the name of Senator Nettle for today, proposing the introduction of the Food Safety (Trans Fats) Bill 2007, postponed till 21 March 2007.
General business notice of motion No. 729 standing in the name of Senator Nettle for today, relating to Mr David Hicks, postponed till 21 March 2007.

MR DAVID HICKS
SenatorNettle(New South Wales)
That the Senate:
(a) notes:
(i) the recent statements by the United States of America military lawyer Major Mori that Australian citizen Mr David Hicks wanted to join the Australian Defence Force but was unable to because of his education qualifications, and
(ii) that Mr Hicks has been detained for 1,930 days; and
(b) calls on the Government to return Mr Hicks to Australia.
Question negatived.

LEAVE OF ABSENCE
Senator WEBBER (Western Australia) (4.23 pm)—by leave—I move:
That leave of absence be granted to Senator Wong for the period of 20 March to 23 March 2007 inclusive, on account of parliamentary overseas business.
Question agreed to.

MATTERS OF URGENCY
Register of Senators’ Interests
The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 20 March 2007, from Senator Chris Evans:
Dear Mr President,
Pursuant to standing order 75, I give notice that today I propose to move:
“That, in the opinion of the Senate, the following is a matter of urgency:
The reaffirmation of the importance of maintaining the integrity and intent of the Register of Senators’ Interests.
Is the proposal supported?

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 clocks accordingly.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (4.24 pm)—I move:
That, in the opinion of the Senate, the following is a matter of urgency:

The reaffirmation of the importance of maintaining the integrity and intent of the Registry of Senators’ Interests.

I move this urgency motion today because it is an important matter that the Senate should debate. It is important that we get a clear statement from the Senate that reaffirms the importance of maintaining the integrity and intent of the Register of Senators’ Interests. I genuinely hope that we get a unanimous vote on this resolution so as to reassure the public that we still uphold this important measure, which acts as part of the checks and balances in our democracy.

The Register of Senators’ Interests is a register that records the financial interests of senators. It details their ownership of assets, shares and properties, and seeks to provide a transparent system by which members of the public and the media can examine the interests held by senators and shine a light, if you like, on whether a senator’s actions, voting and behaviour are appropriate and whether or not there is any inappropriate linkage between their assets and interests and their behaviour. It is one of the checks and balances that has been brought into most democratic countries. Just as we have disclosure of donations, we have disclosure of members’ and senators’ interests.

This particular Senate provision did not come in until 1994. The House of Representatives introduced a members’ register of interests in 1983 on the coming to power of the Labor government. But the Senate resisted having a register of senators’ interests until 1994. Since that time we have had cross-party support for that register. We have a committee that administers it, and it has generally been accepted as a positive development. Obviously, for senators, the public interest should be uppermost in mind when they perform their responsibilities. That can obviously only occur when they abide by high standards of probity and integrity. The
register of senators’ interests helps build public confidence in the political process. But fundamentally it relies on the honesty of senators. You fill in your form; you make a declaration as to your interests. The whole system is based on that honest declaration. We all have a responsibility to provide the information required under the rules of the Senate. As I say, these declarations are sought and administered for very good reasons that have been accepted across party lines in the Senate since 1994.

There are always some issues surrounding these measures and generally we work through those in a collaborative way. But there have been in recent times a couple of instances where there has been concern about whether declarations have been accurate. There was the case of Senator Lightfoot last year, where concern was raised about whether or not he had accurately declared his shareholdings. Senator Lightfoot made a statement to the Senate following those issues being raised, apologised and corrected the record. I and other senators accepted his explanation as reasonable on the basis that he said that he had made an inadvertent error in filing his declaration. He apologised and corrected the record. People saw that as a reasonable response given the admission from the senator that an error had been made.

The events of the last few days raise much more serious concerns about whether or not the registry is working in the way that it is intended and whether the integrity and the intent of the registry are being honoured. We have all accepted the importance of that. However, on Senator Santoro’s own evidence he has not met the requirements of the Senate in terms of keeping that register up to date. Clearly, by his letter last week—in which he detailed the share trades that he had made that had not been declared in the register—he has admitted to filing returns to the register that were not correct. We now have evidence of at least 72 share trades over a 19-month period from September 2005. Senator Santoro had not made a declaration of some of his interests but chose to be selective in the interests he declared. So, clearly, Senator Santoro has not complied with the requirements of the Senate.

I understand that tonight Senator Santoro will provide an explanation as to why that failure occurred. The Prime Minister has expressed the view that he is very angry with Senator Santoro for his failure to meet his obligations, and a number of senior coalition ministers have expressed the view that they cannot understand why such a blatant disregard for the rules has been perpetrated by Senator Santoro.

As I said, with Senator Lightfoot’s incident, clearly a defence of inadvertent omission was plausible. Such a defence in this case is clearly not plausible. Senator Santoro was trading, was buying and selling shares. He has not attempted to use the defence that the broker was doing so on his behalf; he has conceded that he was engaged. Of course, the thing that counts most against Senator Santoro is that he has made declarations of some shares and not others. He has been selective about what he has declared. We do not yet know—and I would be interested to hear his explanation tonight—whether or not he made honest declarations before he became a minister. Clearly, on looking at his declarations, he alleged he did not own more than a couple of shares prior to becoming a minister. But, as I say, that will be for Senator Santoro to explain to the Senate. Quite frankly, up until now, his explanation has been woefully inadequate.

Senator Santoro has failed to address any of the key issues as to why he failed the fundamental requirement to declare his shares and why, when issued time and time again a reminder as to the need to make full declara-
tion, he did not do so. Why, more importantly, when he signed his name to the declaration does he now admit those declarations were false? On at least three occasions he signed declarations which he now says were false. He declared some shares but not others and, for a long period, he declared that he had no shareholdings at all. If Senator Santoro’s recent declaration is to be believed, he has systematically set out to mislead the Senate and the Australian public about the extent of his shareholdings. Quite frankly, that is a matter that this Senate ought to take very seriously.

I am prepared to wait for final judgement on Senator Santoro’s explanation, but clearly the Prime Minister and other senior ministers in the government are not. The Prime Minister has found that Senator Santoro breached the ministerial code of conduct and has accepted his resignation. But there are other tests for the Senate. While the Prime Minister gets to judge whether or not Senator Santoro has met his obligations under the ministerial code of conduct, the Senate gets to decide whether Senator Santoro has met his obligations to the Senate under the rules regarding the Register of Senators’ Interests.

As I said, there is a very strong prima facie case that the Senate has been deliberately misled. The senator has admitted that his declarations were false.

Senator Brandis—Mr Deputy President, I rise on a point of order. I am of course directing your attention to standing order 193(3). I understand that this is a difficult issue for senators. I understand that the conduct of a senator is properly under scrutiny, but the operation of standing order 193(3) does prohibit, as you know, Mr Deputy President, reflections of want of probity and so on against other members of the Senate. I would, through you, Mr Deputy President—and without in any way seeking to limit what Senator Evans might properly say on a matter properly being debated in this chamber—remind him that this is a matter which, as I understand it, is to be referred to the Privileges Committee on the instance of his side. I have read press reports to that effect; I assume that is right. I would ask you, Mr Deputy President, to caution Senator Evans, in whatever remarks he might make, to limit himself to the matters that are a matter of public record and not to speculate on dishonesty or improper motive, which is what standing order 193(3) specifically prohibits.

Senator Chris Evans—Mr Deputy President, on the point of order: firstly, as a matter of fact, as I understand it, there has been no request for a reference to the Privileges Committee made to the President. Certainly, the President has not reported that so that is not a consideration. Secondly, it is competent for us to debate the actions of Senator Santoro. I will abide by any rulings, Mr Deputy President, on motive, but clearly the evidence of Senator Santoro is to the effect that his trading activity was not properly declared. It is not a case I make; it is a case he makes.

Senator Brandis—Mr Deputy President, on the point of order: I take on board what Senator Evans said about there being no current reference to the Privileges Committee. Standing order 193(3) prohibits personal reflections against members of this chamber, as well as members of other houses. All I do in the circumstances is to ask you to caution Senator Evans to confine his remarks to matters which are acknowledged and on the public record. Standing order 193(3) does not give him licence—reference to the Privileges Committee or not—to reflect upon Senator Santoro or his motives or indeed his honesty.

Senator Ferguson—Mr Deputy President, on the point of order, in addition to Senator Brandis’s comments: I am going on my memory, but I think I heard Senator Ev-
ans accuse Senator Santoro of deliberately misleading the Senate. I think the term ‘deliberately misleading the Senate’ is what we are referring to rather than some of the other comments.

**Senator Brandis**—That is right, Mr Deputy President.

**The DEPUTY PRESIDENT**—Senator Evans, I cannot recollect the wording myself, but if you have accused a person of deliberately misleading, you should withdraw that. I will deal with that first, Senator Evans.

**Senator CHRIS EVANS**—I cannot be precise, but I certainly do make the charge. If that is ruled out of order, Mr Deputy President, I will take your advice. It seems to me a particularly precious interpretation, given the contributions of coalition senators to the taking note debate, but this is a subject for your ruling. If you rule that ‘deliberately misleading’ is—

**The DEPUTY PRESIDENT**—It has been ruled on here before. You cannot say ‘deliberately misleading’.

**Senator CHRIS EVANS**—I withdraw then.

**The DEPUTY PRESIDENT**—Senator Brandis, on the other matters that you have raised there is no point of order. I am sure that other speakers in this debate will be cautious in their approach to order before the chair.

**Senator CHRIS EVANS**—I understand the sensitivity and the seriousness of these matters, and I am trying to walk a line that does not prejudice Senator Santoro’s statement to the Senate. That is why I have not as yet sought to refer the matter to the Privileges Committee, but it may well be necessary. To be frank, Senator Santoro would have to have a pretty damn good story—certainly much better than the one he has advanced so far—for senators across the chamber not to consider that this matter ought to be referred to the Privileges Committee.

It is clear from Senator Santoro’s own evidence that the declarations he consistently filed in the Senate were not accurate—not once, not twice but on numerous occasions. The reminder sent to him—and to all other senators—from the Committee of Senators’ Interests to update his returns were ignored and share trading and shareholdings were not declared. We now know that at least 72 transactions were not declared to the Senate. So any defence based on inadvertence will look very thin, because you can forget one, you can forget two, but to forget 72 different trades is clearly not something that any reasonable person could accept as being an inadvertent omission.

The reason I moved this motion today is that I think this is an important matter for the Senate. These events challenge confidence in the register and people’s confidence in the ability of the Senate to properly maintain the Register of Senators’ Interests. As people know, there is a general disquiet in the community about whether or not the Prime Minister is able to properly maintain the Prime Minister’s code of conduct and ministers’ adherence to that. Clearly, that has not been the case on this occasion. Given the history of share trading impacts on previous ministers of the government, it beggars belief that such trading could have occurred with such contempt for the rules of the Senate and the Prime Minister’s code of conduct.

I am particularly concerned about the Prime Minister’s actions when he was confronted by Senator Santoro with the admission that he had bought shares in a company where a conflict of interest with his ministerial duties had arisen and that those shares had not been declared. The Prime Minister did not seek to have him correct those fail-
ings immediately and make a public declaration about them. What occurred was that the minister was allowed at his leisure, over a period of two months, to make a declaration that he had purchased the shares—not that he had held the shares prior to that event but that he had purchased shares. The minister made a declaration which did not reveal the fact that he had held those shares prior to a recent purchase. So the Prime Minister was less than open, less than transparent, in the way that he allowed Senator Santoro to behave. That does go to the question of the standards applied by this government. It does go to public confidence in the system where the Prime Minister allowed an issue like this to be dealt with on the quiet, on the hush-hush, without any proper public accountability and allowed the senator to provide a statement that was far from transparent—one which did not identify the fact that the senator had held those shares for a long period of time and had failed to declare them.

On a cursory examination of the declaration made in December, one can note that the shares that he listed as having sold were shares that he previously had not admitted to buying. It does not take a genius to understand that, in making his declaration under the Prime Minister’s supervision, he was declaring that he had previously misled the Senate. That is how amateurish the whole thing is. The declaration lists shares as being sold that were never listed as having been bought, in addition to the key conflict of interest of the CBio share purchase. So there is a real undermining of confidence both in the Prime Minister’s code of conduct and in the Senate’s register of interests that this Senate ought to seek to address. We will address the issues of Senator Santoro following his explanation. I am a bit surprised that he did not bring himself into the chamber immediately.

Senator Ferguson interjecting—

**Senator CHRI S EVANS**—A senator is required to correct the record immediately. We have been sitting for a few hours. There has been no sign of him. I am told that he has promised to come in. We await that with interest. He will have to provide a very compelling case as to why we should not refer these matters to the Privileges Committee and why he should not be the subject of some censure from the Senate. But the bottom line in all of this, of course, is that that is a decision for the government. Senator Santoro and his coalition colleagues will get to vote on whether any action is taken against Senator Santoro. That is one of the ironies of the government’s control of the Senate—the government will be held to account as to what standards it will apply to its own. You will not be able to escape being held to account for the standards that this government regards as acceptable, because whatever a privileges inquiry finds, the Senate will have to decide what punishment or censure it takes—(Time expired)

**Senator RONALDSON** (Victoria) (4.44pm)—Those who are listening to this broadcast today cannot see what I can see; the four members of the government sitting in the chamber can. What they can see is that on this matter of urgency the Leader of the Opposition in the Senate is being supported by only two Labor senators. This is not a matter of urgency; this is a cheap political stunt. If those opposite were serious about this matter then those benches opposite would be filled. One of those Labor senators has to be here because they are the whip. This is a cheap political stunt. I will wager whatever amount of money Senator Evans wants to put on it that this matter will be referred by the Labor Party to the Privileges Committee. The only reason that has not been done is that they know, and I know, that had they done so this morning we would not be debating this matter this afternoon. It is a cheap political stunt.
Senator Carr—Santoro doesn’t come cheap.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Order! Senator Carr.

Senator RONALDSON—If my high-pitched friend here keeps quiet then I might get the rest of my speech in. This is a cheap political stunt. The arbiter of the matters contained in this motion are the very group that will ultimately judge the outcome of the senator in question. Senator Evans knows, and I know—and even the chattering Senator Carr knows—that these matters will be referred to the Privileges Committee. In the normal course of events that committee, of which I am deputy chair, will discuss this matter and take into account the very matters that Senator Evans has referred to in the motion. They are the arbiter of these matters and they will refer the matter back to the Senate, which is the final arbiter.

What Senator Evans has attempted to do today is to pre-empt the role of the Privileges Committee, which is chaired by his own colleague. Senator Evans, you should read your speech. If you were hoping to become a household name after this speech today then I am afraid, my friend, that you will be bitterly disappointed. You were not a household name before that speech today and you most certainly will not be after. If you read Senator Evans’s speech, you see that he said he was prepared to wait for final judgment but the PM was not. So what Senator Evans was telling the Senate was that he was waiting for final judgment—presumably from the Privileges Committee—before anything was done. What has actually happened is that the PM has moved to address the very things that you have referred to in this motion to maintain the integrity of this chamber and the very matters you are referring to.

Let us cut to the chase on this. This is a political stunt that would not have been possible had there been a reference to the Privileges Committee. This is about the opposition having a cheap shot at the Prime Minister for purely political purposes. Quite frankly, Senator Evans, your duplicity would not fool anyone undertaking—

The ACTING DEPUTY PRESIDENT—Senator, I would ask you to reconsider the term ‘duplicity’.

Senator RONALDSON—More’s the pity if I have to withdraw that, but I will. Your stunt today would not pass the kitchen table test, would not pass the pub test and would not pass the barbecue test because the Australian public will see straight through your cheap stunt. You have had two goes at it. You have had the motion to take note of answers and you have had this urgency motion. You have repeated yourself. You made no sense in your first speech and you made even less sense in your last speech.

Senator Evans, you know that this should have gone to the Privileges Committee. You know full well that your colleagues on both sides of the political fence treat that Privileges Committee very seriously. You know full well—and if you do not, you should—that there has never been a matter, according to my understanding, come out of that Privileges Committee where there has not been unanimous agreement of the committee. That committee is sitting in judgment on its colleagues; the very judgment you were talking about in your speech. You should hang your head in shame that you have totally bastardised the process of this Senate today by this cheap political stunt. You have bastardised the process that has stood the test of time. It is a process that has required our colleagues to sit in judgment on each other with those very matters that you have referred to as the absolute primary matters for their consideration. For you to debase the process the way you have today is to your eternal shame. You
have been shown up as engaging in a cheap political stunt.

I turn now to your comments in relation to the Prime Minister in the earlier debate. The pub test should make it quite clear to you that the general community has expectations that have been met by the Prime Minister. I will read again the Prime Minister’s comments from The 7.30 Report. Just for interest’s sake, I notice that there is no-one else from the Labor Party in the chamber seven minutes into this speech. I will go through again what the Prime Minister said. He said:

As a Senator, he has to disclose these transactions. I reminded him of that obligation when I appointed him as a minister and I wrote to him reminding him of his disclosure obligations. He broke those obligations. I didn’t know of that breach until a few days ago when he owned up, and that is why he’s out.

In relation to a question from Kerry O’Brien, ‘But doesn’t that go to the heart of the probity of your government, that one of your ministers appears to have lied to you about something really quite serious?’ the Prime Minister replied, ‘That would go to the heart of the probity of the government if I, having found out about this a couple of days ago, had done nothing about it. The fact that he went quickly for a clear breach of simple rules that every senator or member of his or her own volition should observe is an indication I do take the probity of my government very seriously, and I resent suggestions to the contrary.’

Senator Chris Evans—You may well resent it, but—

Senator RONALDSON—Are you seriously suggesting that the Prime Minister should be acting on matters that he has no knowledge of? The stupidity of your argument is that, even if the Prime Minister had gone through the registers of interests—for every single one of us, in both the Senate and the other place—they would not have shown up these matters that are before us today, because they were not in the Register of Senators’ Interests and they were not matters of which he had knowledge. How could he possibly have acted as you have told him he should, if he had no knowledge of these matters?

Senator Chris Evans—He had knowledge from October.

Senator RONALDSON—It has not passed the public test on reasonableness.

Senator Chris Evans—He knew in October!

Senator RONALDSON—I hope tonight, when you are reflecting on today—and you can interrupt me as much as like—that you realise what you have done to the process of the Privileges Committee, to a process that has stood the test of time. Senator Evans, you have effectively single-handedly destroyed that process.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator, I remind you to make your remarks through the chair.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (4.54 pm)—What an extraordinary debate this is. I think it is fair to say the standards of probity and accountability in the last 11 years of this government have been seriously undermined. We have had electoral laws that have disenfranchised people and we have had the regime for disclosure of political donations watered down. So many changes in this place have sent a very strong message to people like Senator Santoro that it does not matter. It no longer matters: honesty in government, honesty in politics and honesty in political activity have now taken a back seat. I remember that the Prime Minister, when he came up with the ministerial code of conduct, applauded himself on how wonderful this was going to be and said that there would be no probity issues with his minis-
ters. And the ministers quickly fell at that time. I remember Senator Short, Senator Wood and Senator Gibson, who were sacked in very quick succession. And others went as well. In the lower house there were Sharp and Jull, and I think here too we had Senators Cobb and, at one stage, Crichton-Browne. So there is a long history of ignoring standards, putting them in place and finding that there are too many people who need to be sacked as a result of them, so you need to drop some of those requirements. We are very used to it.

So it is little wonder, I think, that Senator Santoro has not taken the ministerial code of conduct seriously. He is one of the ‘born to rule’ amongst us, who think that having shares is a right and proper thing that everybody should do, otherwise you are a bit of a mug. And that thinking has infiltrated all of the activities of people in this place who now defend Senator Santoro’s appalling behaviour.

I thought it was extraordinary today. We have Senator Minchin saying that the Prime Minister acted honourably on this and cannot be expected to know or act on ministers’ affairs. We have heard it again this afternoon. That is precisely why a ministerial code of conduct, which is up to the Prime Minister to administer, will not work. What we need to do is move to a situation where there is a committee of the parliament which determines both the ministerial code of conduct and the code of conduct for senators and members. That should be set up by a joint committee. It should develop a comprehensive code for ministers and members of parliament, as I said, including rules about avoiding conflicts of interest and strong penalties for transgressions.

Senator Brandis—It does! That’s what it says!

Senator George Campbell—But you ignored it!

Senator ALLISON—But the problem is, we keep hearing Senator Brandis saying it is already there; there is no problem. Well, there is a problem, and there is a problem because Senator Minchin said, and I will be precise—

The ACTING DEPUTY PRESIDENT—Senators, I am having trouble hearing Senator Allison.

Senator ALLISON—Senator Abetz said this afternoon: ‘The test is not whether we make mistakes; it’s how we deal with it.’ In other words, if I am a bank robber and I go along and I rob the bank and threaten the employees and whatever else, and then when I am found I hand over the money that I got from the bank to charity and I apologise, then it is okay. So it is only a question of being caught and how well you handle being caught that is an issue here for the government.

We would rather see things done rather differently. We would rather that this parliament was the place that determined such things—not the Prime Minister, not Senator Brandis, not individuals within the Liberal Party. It is a parliamentary matter, and I remind senators that one resolution about senators’ interests says:

Any senator who:
(a) knowingly fails to provide a statement of registrable interests to the Registrar of Senators’ Interests by the due date;
(b) knowingly fails to notify any alteration of those interests to the Registrar of Senators’ Interests within 35 days of the change occurring; or
(c) knowingly provides false or misleading information to the Registrar of Senators’ Interests;
shall be guilty of a serious contempt of the Senate—
not the Prime Minister; the Senate—and shall be dealt with by the Senate accordingly...

That is the whole point here. It is not up to the Prime Minister to say, ‘Well, we’ll let him off this time because he really is a nice guy and he didn’t mean to do it, and in fact we’ll take his ministerial position away from him.’ And that will be seen to be—what was the phrase being used over and over again? A high price to be paid. So he has already paid the high price! Judge and jury over there have determined that Senator Santoro is a bit guilty—(Time expired)

Senator LUDWIG (Queensland) (4.59 pm)—This urgency motion, in truth, deals with the lack of probity under the Howard government and, in particular, the failure of the former Minister for Ageing, the honourable Senator Santo Santoro, to comply with the requirements of the Register of Senators’ Interests. The actions of the honourable Senator Santoro bring to light a wider and worrying trend under this government. It is a trend that we senators in the chamber know only too well, it being the reduction in avenues for scrutiny and accountability.

From the moment the government took control of the Senate, from 1 July 2005, the Howard government drew the curtains, turned off the lights and threw away the keys on scrutiny. Why? It was so that it could begin to govern true to its form: away from the watchful eyes of the opposition, the media and interested members of the public. That was the true intent. In terms of public policy, the manifestation of this cloak of secrecy is best exemplified by extreme industrial relations. Witness how the government refused to provide statistical analysis of the A W As. This government wants to claim how great AWAs are, how much better off workers are under them. Yet it will not even reveal the statistics to back this up.

We have all heard of the expression ‘lies, damned lies and statistics’, stemming from the common observation that, with sufficient manipulation, statistics can be made to say anything. What this government does do is not provide transparency. It keeps its secret records. I will tell you what it says. This government sends in its expert spin doctors to spin what it needs to, whatever positive message—

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Moore)—Would senators stop shouting across the chamber!

Senator Brandis—Madam Acting Deputy President, I rise on a point of order going to relevance. This is an opposition motion. The terms of the opposition motion are:

The reaffirmation of the importance of maintaining the integrity and intent of the Registry of Senators’ Interests.

It is quite specifically directed to the topic of the Registry of Senators’ Interests. Can I ask you, Madam Acting Deputy President, to direct Senator Ludwig to the topic of the opposition’s own motion.

The ACTING DEPUTY PRESIDENT—Senator Brandis, I hear your point of order. I believe that Senator Ludwig is making a case in terms of his argument. I will let Senator Ludwig continue with the process. I do not accept your point of order.

Senator LUDWIG—I have 10 minutes, and I hope you will stay to listen to all of it, Senator Brandis. Meanwhile, once the government has sent in its spin doctors to spin a message—I see Senator Brandis is now leaving the chamber—

Senator Brandis interjecting—

Senator LUDWIG—I see that you do not want to hear my points, Senator Brandis. That is the government: it turns its back on the Senate. That is what the government
members are very good at: taking a point of order, turning their backs and running out of the chamber. That is what government members do very well because they do not want to hear and they do not want to hold the government to account.

Meanwhile, the actions of the honourable Senator Santoro demonstrate the decline under this government of accountability and probity. It is a small example, although, when you listen to Senator Santoro, you hear that it started out as a small one and then grew like Pinocchio’s nose. But it is an example of where this government is failing on accountability and probity issues. It is but one, and it will be interesting to find out how many more will be dragged out.

There are three key things that hold governments to account in Australia and keep them from straying down the path of maladministration and misappropriation. The first is the government’s own conscience and sense of responsibility. We all know that that flew out the window back in 1997 when the Prime Minister realised just how few of his Liberal and National Party colleagues could actually pass the ministerial code of conduct. So he abandoned it soon after.

When you look at the recent departures of former Minister Ian Campbell and the honourable Senator Santoro, you realise that, in the eyes of this Prime Minister, the sin of these two men was not one of a lapse in good character or judgement. I add that, for the honourable Senator Santoro, it in fact looks like quite a long lapse. No, the sin of these two men was that they stood in the way of the Prime Minister, Mr John Howard, and his hold on power. The unwritten ministerial code of conduct that operates in the year 2007 has only a single sentence: do not get in the way of Mr John Howard and his desire to win the next election.

Given that we cannot rely on the conscience and ethics of those on the government benches—the Prime Minister, in particular—to keep themselves in check, let me turn to the next line of defence. The second line of defence is the Australian parliament. That includes the committees, including the Senate Standing Committee of Senators’ Interests. All of those matters are wrapped up in how the Australian parliament and, in particular, this chamber operate effectively both to meet accountability and probity standards and to hold the government to account.

So what happened? The Liberal and National parties, on gaining control, could not wait to sink their teeth into how they were going to control. In a short space of time this government passed extreme laws, took complete control of the Senate committee system and altered it, instructed public servants not to answer difficult questions on AWB at estimates hearings, stopped the Senate committees looking into matters of the AWB and dramatically cut the length of inquiries into government legislation.

That is the record that this government stands on. When it talks here about accountability and probity, this is the record that this government says it should be exemplified for—wrong, wrong and wrong. The actions of the honourable Senator Santoro are just the latest example of how little regard the Liberal and the National parties have for this chamber, this great institution of ours. The honourable Senator Santoro has shown blatant disregard for the rules and procedures that have long been in place here—not just once, but 72 times. And that is just what he has admitted to at last count. We hope to hear more tonight.

It reminds me of the television show Get Smart, where the bumbling Maxwell Smart cannot help but always exaggerate his hand. In this case, the honourable Senator Santoro
first fronted the media claiming that it was only one oversight and that he had been pro-
active in the resolution of that. When caught out, the honourable Senator Santoro fronted the media for a second time, this time say-
ing—would you believe it?—that there were 50 or 60 oversights. But now we know there were 72, at least to date. The only difference is that, while the Chief was keenly aware of and accommodating of his agent’s clumsi-
ness, Mr John Howard expects us to believe that the Prime Minister wears no responsibil-
ity for the indiscretions of his own people—his own agent 86. If that is how it is then the Prime Minister really has lost control of his own show.

There is a very simple reason why the honourable Senator Santoro has disregarded both the ministerial code of conduct and the standing orders of the Senate—that is, he did not expect them to be enforced, quite frankly. That is the worrying element of this whole episode—that he expected neither the code of conduct by the PM nor the senators’ rules by this government’s majority to be en-
forced. That is the concerning part.

I draw the Senate’s attention to what sen-
or Liberal Party sources said in the media today about the behaviour of the honourable Senator Santoro: ‘He’s actually very secre-
tive.’ I think we would all agree with that. But it is not just the honourable Senator Santoro that is secretive. That is a trait of this entire government. One of the other acts passed after it assumed control of the Senate was a relaxation of the political donations disclosure rules. This government raised the threshold from $1,500 to $10,000 so that fewer donations would need to be reported.

Notwithstanding this, one more check on the growing arrogance and lack of account-
ability—that is what this government has been removing—is the votes in the ballot box. They in turn are assisted by the media and the opposition in shedding light on this government’s lack of probity. This govern-
ment has commenced its attack of smear and innuendo only to find its own house not in order. The message is simple: this govern-
ment needs to clean up its act, get its house in order and join Labor in the debate about the future of this great country. Failure to do so will risk damage not just to its own stand-
ing but to that of this fine institution, the Commonwealth parliament. We should stop it and get on with debate about policy and substantive matters. That is what the debate in this house should be on. Those are the issues that need to be debated. But bear in mind that this government has not been do-
ing that. (Time expired)

Senator FERGUSON (South Australia) (5.10 pm)—I read with interest the terms of this urgency motion. I wonder where Senator Ludwig has been, because, in all of the re-
marks that he made in those 10 minutes, scarcely did he refer to maintaining the in-
tegrity of the Register of Senators’ Interests. For the enlightenment of those senators who are present in the chamber—apart from one of the officials at the table, I think I was probably the only senator in the chamber who was here when the register of interests was brought into this chamber—it was brought in in the last years of the Keating government.

A Labor Party motion to introduce a regis-
ter of interests into this place had been on the books for almost 10 years. Do you think they did it during those 10 years? Not on your nelly. They never bothered to bring that motion forward. After they had made a register of interests for the House of Representatives, the motion lay on the Notice Paper in this place for 10 years. In the dying days of the Keating government, in order to do some grubby deal with the minor parties, they de-
cided to bring it in under pressure from the minor parties. These people did not want a
register of interests in this place. For 10 years they left it sitting on the Notice Paper without bringing it in.

Senators opposite talk about transparency. What transparency did we have in this place in the time of the last Labor government? We went to the 1996 election with a $96 billion debt and a $10 billion deficit that nobody knew about because there was no Charter of Budget Honesty and no ministerial code of conduct. Their good friend Senator Richardson and a number of others could get up to their pranks in this place without any scrutiny because at that time there was no register of interests, no ministerial code of conduct and no Charter of Budget Honesty. And you, Senator Ludwig, have the hide to come in here and talk about transparency.

The ministerial code of conduct works. That is why Senator Santoro was forced to resign. The Register of Senators’ Interests works.

Opposition senators interjecting—

Senator FERGUSON—We will now have a situation where, as we heard from Senator Evans, this matter—

Opposition senators interjecting—

Senator FERGUSON—Madam Acting Deputy President, there is a lot of talk over on the other side, and I think we listened to Senator Ludwig in near silence.

The ACTING DEPUTY PRESIDENT (Senator Moore)—There is. Senators on my left, I wish to listen to Senator Ferguson.

Senator FERGUSON—The integrity of the Register of Senators’ Interests is maintained because if someone fails to comply with the requirements of the Senate it is referred to the Privileges Committee.

Senator Hutchins—The Prime Minister tried to cover it up.

Senator FERGUSON—Senator Hutchins, if you want to get on the speaking list, I suggest you get into the whip’s office and try and get on there.

The ACTING DEPUTY PRESIDENT—You know that those comments should be through me, Senator Ferguson.

Senator FERGUSON—Madam Acting Deputy President, I would attempt to address my remarks through you, but I have a lot of noise coming from the other side—

The ACTING DEPUTY PRESIDENT—I understand.

Senator FERGUSON—which makes it rather hard to concentrate, as you know. The events of the past few days have proved that each of those safeguards that have been put in in this place actually works. Senator Santoro has resigned because he did not comply with the ministerial code of conduct. This matter is going to be sent to the Privileges Committee. The people opposite us suggest that it has not been complied with and so it will go to the Privileges Committee and then come back to this chamber to be adjudicated on, which is the intention of how it should work.

But no-one on that side has yet told me why, if the register of interests is so important, they let it lie on the Notice Paper for 10 years before they introduced it into this chamber—on the Notice Paper since 1983. In 1994, I think it had something to do with the Keating piggery and the Marshall Islands affair of Senator Richardson, which you are all quite proud of. They refused to introduce a ministerial code of conduct and they refused to introduce a charter of budget honesty.

The people on that side earlier today talked about this critical accountability mechanism. I would like to repeat what I said back in 1994 in relation to this Register of Senators’ Interests: it tells you everything and it tells you nothing. I still remember—and some of you may remember—that a
couple of years ago the Labor senators opposite came in here virtually salivating at the fact that they were going to pin Senator Minchin on a conflict of interest. In his register of interests he had BHP shares and, as minister for finance, he had a conflict of interest owning them. They were salivating; you and your colleagues were salivating. The question was asked and Senator Minchin said, ‘Yes, I do. It is true. I do have one share in BHP. It was given to me the day I was born by my grandfather, and I refuse to sell it.’ One share at that stage was worth $14. As I said to you, the Register of Senators’ Interests does not tell you whether you have a million dollars worth of BHP shares or one share, or how much it is worth or how much it is geared. It tells you absolutely nothing, and so if they were going to establish a register of interests it ought to be a register that means something.

We had a situation back in 1994 at the time of Mr Keating’s piggery interests. I looked at a speech made by one of my colleagues at the time on 17 March 1994 when he talks about the seriousness of whether Mr Keating obtained a loan from the Commonwealth Bank when he was Treasurer or Prime Minister. He said:

It would be interesting to know whether the Prime Minister discloses his interests in the Commonwealth Bank or his loan dealings with the Commonwealth Bank when he makes decisions at the cabinet table on the Commonwealth Bank ... in the past wholly owned ... now a major shareholder.

We had a situation where there was no ministerial code of conduct. There was a register of senators’ interests, and the Prime Minister had a commercial interest in a piggery which was kept in the dark and where he made a considerable amount of money—much more than I am sure Senator Santoro has ever made out of his shares—and yet he refused to divulge it, refused to tell us. I can tell you:

if Senator Santoro had every one of those shares on the register you still would not know whether he had one share in each of those companies or 5,000 shares. It does not tell you a thing. I support the motion before the chair; no-one could not support the motion before the chair. But unfortunately those opposite have gone on all sorts of tangents talking about everything except the integrity of the Register of Senators’ Interests— (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.18 pm)—The problem with ministers and members generally being involved in commercial matters while they are elected members of parliament representing the voters and the people and their wider interests is that inevitably there are points of conflict. That is why I, in this Senate on behalf of the Australian Greens, have pursued for more than a decade now—

Senator Ferguson interjecting—

Senator BOB BROWN—I am sorry; the member opposite has gone quiet on that comment. The Greens have pursued the concept of ending that conflict of interest through having an opaque or blind trust so that, if ministers wish to hold shareholdings, their shares go into a blind trust, which is then traded by an independent authority but without the knowledge of the minister. If the former minister opposite says you cannot achieve that, then the alternative would be to divest yourself of those shares.

We come into this parliament in a place of obligation to be open and fair to the electorate. We get highly paid. Average senators are on a base rate of $118,000 a year plus the electoral allowance and all the other allowances that come with it to be commensurate with the work that we do. It is an affront to probity and democracy that ministers in particular continue to trade on the share market

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with all the implied biases that that brings to mind while they hold the high office of minister and authority under the Crown.

I think the Prime Minister should have put an end to this a long while ago. The Prime Minister should have acted to adopt the Greens’ recommendation. It has been adopted in other parliaments. The legislative option is clearly available. It is the right thing to do, but I suspect that, because Prime Minister Howard holds the market so high in his esteem, he is unable to see the risks that inevitably are involved with continuing to allow ministers and members to trade on the Stock Exchange. It should be stopped. It would be better for all ministers involved if it were stopped. If the Greens’ concept of an opaque or blind trust as is used overseas had been adopted 10 years ago we would not be in this position today. Senator Santoro would not be. A number of other ministers who have gone from this chamber and from the other place would still be safely here in the parliament and the cabinet.

It is time we looked much more rigorously and sincerely at the options that are available. In the near future, the Greens will introduce into the Senate legislation to require ministers to place any shareholdings they might have into an opaque trust that is administered at arm’s length and without the knowledge of that minister so that her or his work cannot be influenced by the profitability of shares being exchanged and traded on the Stock Exchange.

We will also introduce legislation to clamp down on lobbyists—to make sure that they are registered and that their activities are open and available to public scrutiny. We believe there is a lot to be done to improve the safety of parliamentarians who cannot work it out for themselves and to deliver a more honest and secure performance by ministers in particular to the electorates they represent—to the people of Australia.

**Senator Barnett** (Tasmania) (5.23 pm)—I stand this afternoon to support this motion and to highlight the importance of maintaining the integrity and intent of the Register of Senators’ Interests. It is patently obvious that we should support such a motion. However, the Labor Party and those on the other side have handled this in a very high-handed manner. It is nothing short of political shenanigans that they have placed this motion before the Senate this afternoon. By doing so, and by highlighting the concerns in the way that they have—by throwing the mud in the manner that they have—they have hijacked their own motion. They have turned the heat on themselves.

They have turned the heat on their own colleagues in the various state governments around Australia because, by any means, it has been quite clearly demonstrated that the system that has been working here at the federal level is actually working well. The system was implemented by Prime Minister Howard, who introduced a ministerial code of conduct for the first time ever in Australian political history. The Charter of Budget Honesty, the system of ensuring accountability and full disclosure, has been supported, acted upon and instigated by the Howard government. Why do you think the Prime Minister is nicknamed ‘Honest John’ from time to time? I can tell you that it is because he is honest, which is important to the Australian people. They accept that and they know that.

The system has been and is working. Yes, Senator Santoro made a mistake. In his resignation statement, Senator Santoro said:

None of these investments involves either impropriety or a conflict of interest and there was never any dishonest intention on my part. Nevertheless I have neglected to properly report a number of investments to the Prime Minister and to the Sen-
ate. This is the reason for my announcement to-day.

The Prime Minister accepted that and said that Senator Santoro had failed to comply with his obligations as a senator and with his ministerial obligations of disclosure. So, on both counts, there is an acceptance that there was a mistake made and the price has been paid. Senator Santoro has paid the highest price possible; he has resigned his commission as a minister in the Howard government.

Senator Santoro, as everybody would acknowledge, got across his brief very well and very quickly. He was competent and professional, and he conducted his ministerial role to a very high standard. He was responsible, at least in part, for the $1.5 billion announcement made by the Prime Minister, on investing in Australia’s aged-care industry. There will be a legacy. People will look back and say thank you: ‘Thank you for your role. Thank you for your contribution. Thank you for your input and for that tremendous investment in Australia’s aged-care industry.’

With the Labor Party, it is a case of the pot calling the kettle black. They have set benchmarks and key performance indicators that contrast with the various state Labor governments around Australia. They are waxing lyrical today over what has happened in the last few days, but they make no mention whatsoever of the very busy schedule of the various anticorruption commissions in the state governments around Australia. Those commissions are implementing their brief to seek out and to act upon corrupt officials in those state governments. Look at what has been going on in Queensland and New South Wales. Look at Western Australia, with the Brian Burke affair. What about Tasmania? Tasmania does not have an anticorruption commission; however the Deputy Premier, Brian Green, has resigned his commission and the DPP is now taking action against him in the courts. I will not speak about that, because it is before the courts.

The Labor Party, in doing what they have done today—throwing mud and allegations and getting involved in political shenanigans—have highlighted their own lack of standards in the various state governments around Australia. The best indicator of how Labor in office would handle public moneys, how they would be accountable to the Australian people, how they would support full disclosure and how they would be responsible for their actions and accountable for their decisions is how they do it elsewhere. What are their brothers and sisters doing in the various state governments around Australia? They are acting in a most irresponsible fashion; hence the very busy schedule of the anticorruption commissions in the various state governments.

I urge senators on the other side to exercise influence over their colleagues in the various states and to ensure that they are acting in an honest fashion. What has been proven once and for all today is that the system that was established under Prime Minister John Howard’s responsibility and control in this parliament is working. There is evidence of full disclosure and accountability. The minister has resigned. He has paid the highest price possible, and you can see exactly the result. (Time expired)

Question agreed to.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Pursuant to standing orders 38 and 166, I present documents listed on today’s Order of Business at item 15 which were presented to the President, Deputy President and a temporary chair of committees since the Senate last sat. In accordance with the terms of the standing orders,
the publication of the documents was authorised.

Ordered that the committee reports be printed.

The list read as follows—

Committee reports

1. Community Affairs Committee—
   • Report, together with the Hansard record of proceedings and submissions received by the committee—Aged Care Amendment (Security and Protection) Bill 2007 [Provisions] (presented to temporary chair of committees, Senator Watson, on 9 March 2007, 4.30 pm).
   • Additional comments by the Australian Democrats to report—Aged Care Amendment (Security and Protection) Bill 2007 [Provisions] (presented to the Deputy President on 12 March 2007, 10.45 am).

2. Legal and Constitutional Affairs Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—AusCheck Bill 2006 [Provisions] (presented to the Deputy President on 14 March 2007, 10.45 am).

3. Finance and Public Administration Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—Qantas Sale (Keep Jetstar Australian) Amendment Bill 2007 (presented to the President on 15 March 2007, 4.45 pm).

Government document


Reports of the Auditor-General


Tabling

The ACTING DEPUTY PRESIDENT (Senator Chapman)—I present a message for Commonwealth Day 2007 from Her Majesty the Queen.

STATUTE LAW REVISION BILL 2007
TAX LAWS AMENDMENT (SIMPLIFIED SUPERANNUATION) BILL 2007
SUPERANNUATION (EXCESS CONCESSIONAL CONTRIBUTIONS TAX) BILL 2007
SUPERANNUATION (EXCESS NON-CONCESSIONAL CONTRIBUTIONS TAX) BILL 2007
SUPERANNUATION (EXCESS UNTAXED ROLL-OVER AMOUNTS TAX) BILL 2007
SUPERANNUATION (DEPARTING AUSTRALIA SUPERANNUATION PAYMENTS TAX) BILL 2007
SUPERANNUATION (SELF MANAGED SUPERANNUATION FUNDS) SUPERVISORY LEVY AMENDMENT BILL 2007
SUPERANNUATION LEGISLATION AMENDMENT (SIMPLIFICATION) BILL 2007
INCOME TAX AMENDMENT BILL 2007
INCOME TAX (FORMER COMPLYING SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX (FORMER NON-RESIDENT SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX RATES AMENDMENT (SUPERANNUATION) BILL 2007
AUSTRALIAN CITIZENSHIP BILL 2007
Senator **SCULLION** (Northern Territory—Minister for Community Services) (5.33 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 **SCULLION** (Northern Territory—Minister for Community Services) (5.32 pm)—I table a correction to the explanatory memorandum relating to the Bankruptcy Legislation Amendment (Debt Agreements) Bill 2007 and 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—*

**BANKRUPTCY LEGISLATION AMENDMENT (DEBT AGREEMENTS) BILL 2007**

The Bankruptcy Legislation Amendment (Debt Agreements) Bill 2007 will amend the Bankruptcy Act 1966 to improve the operation of debt agreements under Part IX of that Act.

Details of most of these amendments were announced on 27 July 2006 following a comprehensive review of the operation of debt agreements conducted by the Insolvency and Trustee Service Australia and the Attorney-General’s Department. In addition to the amendments previously announced, the Bill also includes a range of other minor and technical amendments which will improve, streamline and clarify some aspects of the operation of Part IX.

Debt agreements are an important feature of the personal insolvency system. They provide debtors with unmanageable debt who can afford to make some payments to creditors with an opportunity to do so. Many debtors want to consider making a debt agreement as it gives them an opportunity to recover a damaged financial reputation and avoid bankruptcy. When a debt agreement works, it will generally provide a higher...
return to creditors than bankruptcy and can also assist the debtor to manage their finances more effectively in the future.

When debt agreements were introduced, it was envisaged that they could be administered by anyone, including the debtor personally, a relative or friend. However, in practice, the vast majority of agreements are administered by a fee-for-service provider who may or may not provide other services. This has led to calls for greater regulation of that industry to ensure vulnerable debtors are protected and proper standards of practice are met.

The reforms are designed to ensure that debt agreements continue to be a viable means of dealing with unmanageable debt. In particular, they are designed to address key concerns which have led to a lack of confidence on the part of creditors in the effectiveness of the debt agreement system. They are also aimed at addressing the high failure rate which has resulted from a significant number of unsustainable agreements being made where debtors are not properly informed and creditors cannot rely on the quality or accuracy of information given to them.

The amendments will introduce a registration system for debt agreement administrators. Registration will be based on the applicant’s demonstrated ability to perform the duties of a debt agreement administrator. These duties will include obligations to ensure the debtor is informed about other options and has been through a proper process to determine that the offer to creditors is sustainable over the life of the agreement. The administrator will also be required to form a reasonable basis for believing that the debtor has fully and truly disclosed his or her affairs to creditors. These obligations are designed to ensure that debtors consider all options and that creditors are fully informed when deciding whether to accept the debtor’s proposal.

The requirement to be registered will apply only to a debt agreement administrator who administers more than five agreements at any time. This will ensure that debtors retain the option of administering the agreement personally or getting another person to do it on their behalf.

The Inspector-General in Bankruptcy will make decisions on registration and will then have an ongoing role in monitoring the conduct and performance of registered administrators. The Inspector-General will be able to deregister administrators who do not comply with their obligations. There will be mandatory qualifications as a pre-requisite to registration to ensure that minimum standards of knowledge apply across the industry.

The amendments will require administrators to be paid proportionately over the life of a debt agreement rather than in priority to creditors. They will provide an incentive for administrators to see that agreements are completed and encourage them to focus on proposals that are likely to succeed, rather than those that are likely to be accepted by creditors.

A debt agreement should be seen as a simple, one-off offer to creditors which represents the best offer the debtor can make. Creditors then decide whether to accept or reject that offer based on the debtor’s capacity to pay. A debt agreement should be viewed as a collective agreement with all creditors rather than a series of agreements with each individual creditor. Therefore, the amendments will require creditors to receive payments under the agreement proportionately in relation to the amount of their debts. This will overcome current problems which result in offers being developed based on expectations of individual creditors rather than on what the debtor can afford to pay. It should also open up debt agreements to many debtors who could afford to make payments which are greater than creditors would receive in bankruptcy and in circumstances in which the debtor is unable to negotiate effectively with individual creditors.

The amendments will also provide that a debtor’s proposal can be accepted by a majority in value of creditors who vote so that the decision is made by those creditors holding the majority of the commercial interest. The current requirement for a special majority of more than half in number and at least three-quarters in value unfairly skews the voting power in favour of a small number of larger creditors.

The amendments will also introduce more effective mechanisms for dealing with default by the debtor. The administrator will be required to notify creditors when the debtor has been in default.
for three months and an agreement will be termin-
ated automatically where the debtor has made no
payments for six months or the agreement is not
completed within six months of the agreed term.
This will ensure defaults are actively managed by
administrators and allow creditors to make timely
decisions about varying or terminating agree-
ments where the debtor is not complying.

Finally, the Bill includes a number of amend-
ments which will clarify and streamline the op-
eration of the Act in a number of areas, including
replacing administrators who are deregistered,
uncertainty about which debts are covered by an
agreement, the treatment of secured creditors and
the investigative powers of the Inspector-General.
I commend the Bill.

BANKRUPTCY (ESTATE CHARGES) AMENDMENT
BILL 2007
The Bankruptcy (Estate Charges) Amendment
Bill 2007 will amend the Bankruptcy (Estate
Charges) Act 1997 to impose the realisations
charge and interest charge on monies paid pursu-
ant to debt agreements under Part IX of the Bank-
rruptcy Act 1966.

The realisations charge and interest charge are
currently payable by trustees in relation to bank-
rupt estates and personal insolvency agreements
under the Bankruptcy Act. These charges offset
the cost of regulating insolvent practitioners.
The charges are not currently payable by debt
agreement administrators. The cost of regulating
the debt agreement system is effectively subsi-
dised by revenue from these charges received in
bankruptcies and personal insolvency agreements.

The Government no longer considers that cross-
subsidisation is appropriate given that debt
agreements make up a significant proportion of
personal insolvency activity in Australia. In addi-
tion, amendments to be made by the Bankruptcy
Legislation Amendment (Debt Agreements) Bill
2007 will introduce a new regulatory framework
for debt agreement administrators. The Govern-
ment’s Cost Recovery Policy requires the benefi-
ciaries of that service, in this case creditors, to
meet the costs of providing that service.
The amendments will not increase revenue from
the charges as the rate of the realisations charge
will be reduced for all types of personal insol-
vency administrations. In practice, it is largely
the same creditors who are paying the realisations
charge in bankruptcies and personal insolvency
agreements who cover the cost of regulating debt
agreement administrators. Applying the charge to
debt agreements will broadly result in the same
creditors paying the same amount of money but
over a larger range of administrations.
The amendments to be made by this Bill will
bring debt agreements into line with other forms
of personal insolvency administration.
I commend the bill.

Ordered that further consideration of these
bills be adjourned to the first day of the next
period of sittings, in accordance with stand-
ing order 111.

STATUTE LAW REVISION BILL (No. 2)
2006 [2007]
Returned from the House of Representa-
tives
Message received from the House of Rep-
resentatives returning the bill without
amendment.

BUSINESS
Rearrangement
Senator PATTERSON (Victoria) (5.34
pm)—At the request of the Chair of the Sen-
ate Standing Committee on Economics
Committee, Senator Ronaldson, I move:
That business of the Senate order of the day
No. 1, relating to the presentation of the report of
the Economics Committee on the Qantas Sale
(Keep Jetstar Australian) Amendment Bill 2007
be postponed till a later hour.
Question agreed to.

PRIVATE HEALTH INSURANCE BILL
2006
PRIVATE HEALTH INSURANCE
(TRANSITIONAL PROVISIONS AND
CONSEQUENTIAL AMENDMENTS)
BILL 2006
PRIVATE HEALTH INSURANCE (PROSTHESES APPLICATION AND LISTING FEES) BILL 2006
PRIVATE HEALTH INSURANCE (COLLAPSED ORGANIZATION LEVY) AMENDMENT BILL 2006
PRIVATE HEALTH INSURANCE COMPLAINTS LEVY AMENDMENT BILL 2006
PRIVATE HEALTH INSURANCE (COUNCIL ADMINISTRATION LEVY) AMENDMENT BILL 2006
PRIVATE HEALTH INSURANCE (REINSURANCE TRUST FUND LEVY) AMENDMENT BILL 2006
Second Reading
Debate resumed.

Senator POLLEY (Tasmania) (5.34 pm)—As I was saying before question time, I strongly support the change to the Lifetime Health Cover scheme, whereby people who have retained private health insurance for over 10 years would no longer be subject to Lifetime Health Cover loading, even if they did not take out private health insurance before the age of 31. I also support the 30 per cent private health insurance rebate, as I am aware that many Australian families would not be able to afford private health insurance without it.

It is important that consumers have some input into which additional services they would like to be covered by private health insurance. This would ensure that the changes are reflecting Australians’ needs and priorities. I believe it is imperative that a range of health decisions start being made that focus on prevention measures and keeping people out of our clogged hospital system. This legislation can be the foundation for this to happen. Furthermore, allowing private health insurance to cover chronic disease management is certainly a solid step forward.

Labor believe that spending money on health is important, because we care about people and we care about improving the health system. However, we believe that spending on health has to be managed well to ensure that every dollar is spent well. Under this legislation proposed by the Howard government, only people who can afford private health insurance will benefit. What about everyone else? Everyone else has been put in the ‘too hard basket’, which is a testament to the last 11 long years of this arrogant Howard government.

Senator HUTCHINS (New South Wales) (5.36 pm)—It is a pleasure to follow my colleague, Senator Polley, in this debate on the Private Health Insurance Bill 2006 and related bills. A number of Labor senators have contributed to the debate on this legislation, but only one coalition senator has made a contribution; that is, Senator Gary Humphreys. He challenged us to say what the bill was about. Mr Acting Deputy President, in my contribution, I will tell you what the bill is about. Labor will support this bill because we recognise that it has the potential to deliver benefits to a significant number of Australians—some 44 per cent of the population who have private health insurance. However, in offering our support, we on this side are urging a closer examination of the consequences of this bill down the track for those 56 per cent of Australians who do not have private health insurance—some of whom will never be able to afford that level of cover.

I think it is worth beginning my contribution by highlighting the fact that this is a government that has an ideological bent when it comes to universal health care. It simply does not believe that it should exist. The Prime Minister has a track record of bit-
ter opposition to Medicare and would dismantle it if he had the opportunity to do so. In fact, in 2001, he told Sydney Morning Herald journalist Jennifer Hewett that Medicare—or Medibank as it was known at its inception—was a cardinal mistake.

The Prime Minister is all for a have and have-not Australia. If some Australians are falling through the cracks, as far as this government is concerned that is perfectly acceptable. We have seen it time and again—after a very long 11 years of coalition government. Work Choices is happy to deliver so-called choice to workers, but in reality this only works for those with the power to bargain; the rest must cop their AWAs sweet or be shown the door. Electoral legislation reforms introduced by this government make it easier to donate big money to political parties anonymously but disenfranchise the illiterate, Indigenous or simply time poor. Promises were made by this government on interest rates that paid lip-service to voters at the last election but, when it comes to the crunch, those same voters who put faith in the government’s empty promises are now pinching pennies or defaulting on their mortgages.

To a majority of Australians who benefit from universal health care, I think the idea that it is somehow a cardinal mistake is offensive. I think that every time the Minister for Health and Ageing gets up in the other place and proclaims that this government is Medicare’s best friend, even members and senators on the other side of the chambers cringe at the obvious doublespeak, because they all know the ideology of their Prime Minister, and that is one of opposition to universal health care.

On this side we are not opposed to the concept of private health insurance; indeed, we embrace it for its supportive role of the health system. The fact that 44 per cent of Australians have private health insurance is indicative, too, that the electorate is supportive of the system as well. This take-up rate is of course closely linked to the government’s Lifetime cover policy, which penalises people for delaying their private health cover beyond the age of 30 by levying an additional two per cent on their premiums for every year over 30 they were not covered. So, buoyed by that decision, the private health coverage of Australians is at the level it is at now.

With that level of people with private coverage, it is reasonable for them to be expecting value for money—and Labor supports this premise, particularly in the face of a rise in premiums of some 40 per cent since 2000-2001. That significant rise in premiums in fact corresponds to another empty coalition promise: that its Lifetime cover and 30 per cent rebate would put downward pressure on premiums. Forty per cent increases do not indicate a great deal of downward pressure on anything—apart from perhaps the disposable income levels of families who have been slugged with the rise in premiums. The Broader Health Cover component—

**Senator Patterson**—Have a look at the premiums under you. They skyrocketed!

**Senator Hutchins**—The previous health minister is interjecting. The Broader Health Cover component of this bill will allow private health insurers to cover out-of-hospital services that substitute for or help to prevent hospital treatment. Labor has continually argued that we need prevention programs for public health issues such as obesity. The Broader Health Cover will in some sense go towards addressing health problems that ultimately become a heavy financial strain on the public system years down the track.

Of course, the commercial imperative for private health insurers to also take part in
these preventative programs is to minimise their exposure to similar costs from their own members. This bill will allow insurers to cover hospital treatment, general treatment or a combination of both. The general treatment category includes disease and injury management and can include the provision of goods and services, but only those for which a Medicare benefit is not payable. This will have obvious benefits in broadening access to out-of-hospital treatments for chronic conditions that would otherwise be treated in hospital, and would ultimately have the effect of minimising such conditions and therefore the number of cases needing to be treated in hospitals.

As I indicated earlier, Labor takes no issue with the principles laid out in this bill in terms of Broader Health Cover. But where I and my colleagues on this side do share a great deal of concern is the establishment of a two-tier system. Broader Health Cover would provide an attractive series of benefits for members of private health insurers, but the question ought to be asked: what of those without private insurance? Under the current system, the distinction between private health insurance and the public health system can be a matter of choice of treating doctor or additional levels of comfort as well as support for some things like optical and dental. Essentially, these are all areas where the public health system does provide some cover—except perhaps for dental after this government abolished the national dental health scheme.

This bill proposes to broaden the range of those services to those that have not been traditionally provided universally. This essentially means that access to such services will narrow to either the people who can afford to pay for them outright or those who are covered by private health insurance—and, at current figures, that is far from the majority of Australians. Equity of access to health services should be a top priority of this government, but we all know it is not and, in seeking to improve the scope of private health insurance, the concerns surrounding that equity of access have not been addressed and indeed have been entirely dismissed.

Obviously treatment like dialysis and chemotherapy—two services flagged in this bill as examples of treatments falling within the Broader Health Cover—would still remain available to public patients. But other programs, such as disease prevention, which go to the heart of the thinking behind this legislation, could eventually become a service provided predominantly to only those with insurance. Where does this leave people without private insurance but who are equally, if not more, at risk of the same diseases?

While I am certain those opposite me in the chamber would argue this bill does not represent a shift in that direction, I think the weight of logic would indicate that it does. I challenge them to overcome their ideology and address these issues in committee. I know they do not believe that everyone should have access to health care, but, if they are serious about putting in place measures to reduce the future burden of health costs on the Commonwealth, they must confront the fact that people who cannot afford private health cover are those most likely to be unable to access programs that would prevent them going to hospital for treatment. As Australia ages, we must be looking at ways to reduce the incidences of preventable diseases before they become a serious health problem and subsequently a major cost to the public health system.

This brings me to the point of the affordability of premiums. As I stated earlier, premiums have risen by 40 per cent since 2000-01. It should be recognised that a component
of this correlates to the rise in costs of health care, but, nevertheless, premiums rising at a rate of twice that of inflation is a significant cost to families. Under the coalition, health insurance premiums are one of a number of rising costs that families must deal with: childcare fees rising at four times annual inflation; interest rates rising eight times in a row; interest repayments doubling as a proportion of disposable income; HECS debts spiralling upwards; and petrol prices remaining historically high, part of which is motorists paying a tax on a tax to the Commonwealth. Add to all of that a 40 per cent increase in the cost of premiums over the last six years.

Those families have been given no guarantee from the government that premiums will not rise again under this new scheme. The minister has refused to acknowledge that possibility, instead putting faith in the streamlining of the regulatory environment that will come with this legislation placing downward pressure on the costs of private insurers and the follow-on effect that will have on premiums. But I think Australians will be excused for not taking the minister at his word, primarily because they did so in 2000 when the government introduced its Lifetime Health Cover initiative and the 30 per cent rebate, yet they have had to absorb a 40 per cent increase in their premiums since. Is the government serious about keeping premiums down? If it were, it would have given greater consideration to the issue in the drafting of this legislation, which contains no guarantees for consumers despite the rhetoric from the minister. If it were serious, it would not be intent on selling off Medibank Private. The government is not putting its shoulder to the wheel in terms of making sure families do not have to keep paying higher premiums. It would rather spend $50 million of taxpayers’ money funding advertising campaigns for the private health insurance sector instead of directing that money to better uses, such as improving the equity of access I spoke about earlier.

In the time remaining, I would also like to address some concerns that have been raised in submissions to the Senate inquiry into this bill regarding the issue of managed care. This was a much-maligned practice of the early 1990s—particularly in the United States but also, to a lesser extent, here—whereby private health insurers sought to limit costs by directly interfering in the clinical care of patients. More costly treatments usually performed in hospitals were being done on the cheap at home, and a substantial proportion of the cost was then borne by the patient or the patient’s family. While the overt intention of this bill is not for managed care, the AMA argued in its submission to the inquiry that the scope is there in this legislation. Private health insurers are given discretion in what is classed as general treatment and there is no stipulation of default benefits. The insurers can finance and provide the health care, which means they will necessarily want to minimise their costs—a decision directly affecting the level and quality of care.

Managed care has been widely criticised for compromising quality. In an examination of 58 surveys of American physicians from the late 1980s onwards, most had very strong and very negative sentiment towards the managed care system. A majority in most surveys felt that, while costs might be reduced in some circumstances, necessary tests were not being ordered. The nature of managed care is such that physicians contracted to the organisation are pressured to keep costs down and the first sacrifice can be quality of care. This is precisely the situation we want to avoid in Australia, and the warning has been sounded from the AMA and from Labor that the government needs to
recognise that under this legislation there is
the possibility for these schemes to emerge.

I would like to conclude my remarks by
reminding the government that Australia has
at its core the principle of equity. Labor sup-
port consumers having greater choice and
value for money, but we do not want to see it
at the expense of the less fortunate. If any-
thing, this government has shown that its
legacy after 11 years is one of division, but
an incoming Rudd Labor government will
restore the notion of equity to the decision-
making process so that we do not become a
country of haves and have-nots.

Senator SCULLION (Northern Territ-
ory—Minister for Community Services)
(5.50 pm)—The Private Health Insurance
Bill 2006 and the related bills comprehen-
sively deliver on the government’s commit-
ment to bring about the next wave of innova-
tion in private health care. The legislation,
which is due to come into effect on 1 April,
does two distinct things: firstly, it facilitates
increased innovation and choice in private
health care; and, secondly, it clarifies and
simplifies the regulatory framework. These
changes are consistent with the government’s
commitment to a vibrant private health sec-
tor, but that is not an end in itself. Rather, it
gives consumers choice and peace of mind in
their health care. It also complements the
public health system, which is underwritten
by the universality of Medicare. The gov-
ernment has an ongoing and very strong
commitment to Medicare. This legislation
does not weaken that commitment in any
way.

The bills give effect to the reforms an-
ounced on 26 April 2006 to: allow insurers
to provide and include in risk equalisations
benefits for out-of-hospital services under
broader health cover, require insurers to pro-
vide standard product information to help
people compare policies and understand enti-
lements, eliminate lifetime health cover
penalties for those who have retained their
hospital cover for 10 years continuously and
provide a framework for the quality and
safety of services covered by private health
insurance. Broader health cover is the key
change that will affect private health ser-
dices. Hospital cover will expand to cover
out-of-hospital services that substitute for or
prevent treatment within a hospital. This is
an important innovation that will transform
chronic care management. It removes the
barrier to the development of flexible prod-
ucts that better reflect clinical practice and
better meet consumer needs.

The bills also consolidate the regulatory
framework into one primary piece of legisla-
tion. The current system of regulation
through conditions of registration is replaced
by a transparent set of product standards.
This will result in much clearer and simpler
regulation of private health insurers and ser-
vice providers. The government has contin-
ued to work closely with health insurers and
service providers since the legislation was
first introduced in December to improve the
clarity and operation of the legislation. The
government amendments that will be circu-
lated shortly are the result of these ongoing
consultations. They will help ensure that the
various elements of the policy work as they
are intended to.

The Senate Standing Committee on
Community Affairs has also just finished
scrutinising the bills. Following its review of
submissions from interested stakeholders and
a public hearing, the committee concluded
that it supports the measures in the bills. We
will be making some refinements in imple-
menting the new framework to reflect the
committee’s constructive suggestions. Most
of the recommendations have been taken on
board in an appropriate form. I should note
here that in relation to the committee’s rec-
ommendations we will, after further consul-
tation, incorporate the recommended care plan charter, a set of guidelines to assist in the relationship of services provided under broader health cover to those provided under Medicare in the statutory rules to ensure that they have legislative force as disallowable instruments.

While the legislation generally has been received positively, some incorrect claims have been made about what the package will or will not actually do. It is important now to put some points on the public record to assist in the understanding and interpretation of the legislation. First and foremost, broader health cover, which is the centrepiece reform element, will not disadvantage those Australians who do not have private health insurance. Broader health cover is about giving health insurers the legal framework to pay for clinically appropriate treatment wherever that is provided. It is not about creating a new set of services that only the privately insured will be able to access. Privately insured patients will now be able to have their treatments more conveniently in local clinics or more comfortably in their own homes, instead of having to go to hospital. It may come as a surprise to some, but in fact such arrangements have been commonplace in state run public hospitals since the 1980s.

Broader health cover will allow the private sector to follow the lead of the public sector in designing and delivering outreach services. There are many examples of outreach services already provided by the public sector. Broader health cover arrangements therefore will not disadvantage public patients. All Australians will continue to have equal access to hospital treatment as public patients and access to the wide range of treatments available under Medicare. We are doing nothing that stops states pursuing similar innovations of their own in relation to public patients; nor do the Australian health care agreements throw barriers in the way of states who wish to fund out of hospital patient services.

Secondly, related to the introduction of broader health cover, claims have been made that it will lead to further increases in private health insurance premiums over time. Broader health cover arrangements are not expected to increase pressure on premiums. They will provide cover for community based treatment as an alternative to treatment within a hospital setting. In essence, broader health cover will replace hospitalisation with care in other settings where it is clinically appropriate and convenient for consumers. This replacement means that broader health cover has some scope to reduce hospital costs and out-of-pocket expenses for consumers, which means over time downward pressure on premiums. The government is keen for consumers to be able to access broader health cover products. However, it will be a commercial decision for private health insurers in choosing whether to offer broader health cover.

Thirdly, it has been suggested that the legislation pays scant attention to quality and safety issues. The main bill introduces the first comprehensive safety and quality regime for all privately insured services, to take effect from 1 July 2008. This start date allows sufficient time for service providers to take a considered approach to the level of accreditation required and to get accredited. The timing allows the accreditation industry to spread its workload, rather than creating a huge administrative bottleneck. It will avoid current available accreditation arrangements potentially determining the shape of what is to come. It will also allow insurers time to develop and negotiate effective and quality based contracts for broader health cover with providers including, but not solely, medical practitioners and private hospital interests. The 1 July 2008 start date for the quality and safety regime has attracted undue attention.
It is important to understand that insurers will continue to exercise care on behalf of their members as they do now in choosing who will deliver services. The public expects it and this government expects it.

Indeed, taking into account issues that emerged through the Senate committee inquiry, we will be incorporating provisions in the statutory rules to provide that there must be no diminution of existing quality and safety standards and regimes where they apply to services and providers operating under a care plan facilitated by an insurer. Where accreditation is now usual for such services in other contexts, it will be expected for relevant care plan services. These will be interim and transitional measures pending the commencement of the new dedicated accreditation regime.

Fourthly, elements of the medical profession have raised concerns about the issue of clinical freedom and whether the new private health insurance framework provides sufficient safeguards for it. The government wants to make very clear that clinical freedom—that is, the right of medical practitioners to make unfettered clinical choices—is very important. Decisions about clinical care are and will remain matters for patients and their doctors. There is nothing in the bills that gives insurers more influence over clinical choices.

The new legislation provides the same level of protection for clinical freedom as the current National Health Act. Furthermore, the government are unaware of any complaints from doctors about interference from health insurers under the current regime. If there are demonstrated grounds to review this in the future we will monitor implementation very carefully but, without hard evidence, it is not appropriate to act in a heavy-handed way. Conversely, however, it is up to health insurers to keep faith with medical practitioners and other providers, to reassure them and the public that patients will always get the care they need. The government have every confidence in them and are sure that their trust in the industry will be justified under this new framework.

Finally, concerns have been raised by the opposition about a change to the Private Health Insurance Administration Council’s objectives. The council is the prudential regulator of the private health insurance industry, although, through the administration of standards, the council ensures that health insurers have sufficient money to pay benefits to their members. Nothing will change. The council does not and never has had any power to minimise the level of private health insurance premiums. Control over premiums resides wholly and solely with the Minister for Health and Ageing, and it always has. The new legislation reflects this. The minister’s job is to ensure that premiums are kept as low as possible and that a fund’s obligations to its members and its prudential requirements around minimum reserves are always met.

The government are concerned that, as far as possible, we ensure these major reforms are introduced and implemented smoothly. I therefore foreshadow that the government will monitor the initial month of operation and are prepared to address specific difficulties that may arise in the spring sittings, with legislative adjustments as necessary. I am happy to give a similar undertaking on behalf of the government in respect of the operation of the statutory rules and regulations made under this legislation. I commend this legislation to the Senate.

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.01 pm)—I move the second reading amendment standing in my name:
At the end of the motion, add:

“but the Senate is of the view that the private health insurance rebate should be abolished and that the funds should be redirected to the public health system”.

Question negatived.
Original question agreed to.
Bills read a second time.
Ordered that consideration of these bills in Committee of the Whole be made an order of the day for the next day of sitting.

BUSINESS
Rearrangement
Senator SCULLION (Northern Territory—Minister for Community Services) (6.03 pm)—I move:

That the order of consideration of government business orders of the day for the remainder of today be as follows:

No. 6 Energy Efficiency Opportunities Amendment Bill 2006—second reading speeches only.
No. 3 Airspace Bill 2006 and a related bill—second reading speeches only.
No. 2 Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007—second reading speeches only.

ENERGY EFFICIENCY OPPORTUNITIES AMENDMENT BILL 2006
Second Reading
Debate resumed from 6 February, on motion by Senator Colbeck:

That this bill be now read a second time.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (6.03 pm)—The Energy Efficiency Opportunities Amendment Bill 2006 was passed in 2005, based on a policy recommendation from the Prime Minister’s 2004 statement on energy entitled Securing Australia’s energy future. The object of the Energy Efficiency Opportunities Act 2006 is to improve the identification and evaluation of energy efficiency opportunities by large energy-using businesses and, as a result, encourage implementation of cost effective energy efficiency opportunities.

The Energy Efficiency Opportunities Amendment Bill 2006 makes minor technical amendments to the act. The history of the federal government’s energy efficiency efforts date back over a decade to 1995 when the previous government introduced the Greenhouse Challenge program, a voluntary greenhouse reduction program for large businesses and corporations. Recently, the Greenhouse Challenge program became the Greenhouse Challenge Plus program, incorporating two other voluntary programs, Energy Efficiency Standards and Greenhouse Friendly.

The government said it wanted to improve energy efficiency through the National Framework for Energy Efficiency, or the NFEE, the specific implementation of which was agreed by Australian state and federal energy ministers in August 2004. The actions for implementation through the NFEE, stage 1, relate to energy efficiency in the built environment, continued support for appliance minimum energy performance, awareness and capacity building with the commercial and industrial sector. Requirements for energy efficiency beyond the incremental awareness and capacity building is referred to in NFEE, stage 2. The Ministerial Council on Energy outlines that, under a NFEE, stage 2, governments will consider possible further measures which could include broad based incentives. These measures would have the potential to deliver significant energy savings in addition to those being delivered through the NFEE, stage 1.

That statement was made by the MCE in December 2004. Two years later, there has been no further development or considera-
tion as to what a broad based incentive for energy efficiency ought to look like. The problem with all of these schemes is that they are voluntary, and they have done very little to improve energy efficiency or reduce emission intensity or energy use.

It is noted that the original intent of the legislation, as outlined in the Energy Efficiency Opportunities Amendment Bill 2006, was to establish a framework for mandatory energy efficiency opportunities, assessments and public reporting of outcomes by large energy-using businesses, including compliance and enforcement arrangements. The scope for energy efficiency is enormous and, frankly, it is a disgrace that governments have taken so long to act. Energy efficiency is the least costly of greenhouse abatement activities. It results in real productivity gains and a reduction in energy consumed and, therefore, a reduction in energy bills and real savings to householders and businesses.

Australia’s historical performance and rate of energy efficiency improvement have been very poor compared with many other countries. Since 1973, Australia’s energy efficiency improvement has been significantly lower than those of major industrialised countries such as Canada and the United States. Economic modelling to estimate the benefits of energy efficiency was undertaken in 2004 by the Ministerial Council on Energy for the National Framework for Energy Efficiency. Economic modelling undertaken by the Allen Consulting Group and McLennan Magasanik Associates showed that if only a one per cent national energy efficiency target were adopted and achieved by implementing those efficiency activities that have less than a four-year payback, if 60 per cent of these less than four-year payback efficiency activities were implemented at no cost or at low cost and if less than four-year payback energy efficiency opportunities were those cost-effective energy efficiency activities, they would pay for themselves within four years. That is a 25 per cent return on investment, which compares with the current bond rate of 6.25 per cent.

The results of the economic modelling of a one per cent efficiency target using only cost-effective energy efficiency activities of less than the four-year payback would be the following net economic and environmental benefits in the 10th year: real investment increases of $586 million, real GDP increase of $1.582 million and a maximum peak demand reduction of 8,322 megawatt hours. That is a reduction in peak demand in the order of 25 per cent of the national electricity market and, as a result, it would make possible the retirement of older power stations and the deferment of capital investment required for new generation.

There would also be a reduction of 19 per cent in the average wholesale market electricity prices by 2014—that is a reduction in electricity bills, not an increase; a net present value of national savings in electricity and gas of $7.7 billion—that is savings not expenditure; greenhouse emission reductions of 28 mega tonnes of CO$_2$ equivalent—that is a 10 per cent reduction in emissions from the stationary energy sector and a five per cent reduction in Australia’s total greenhouse emissions. We are talking about very substantial opportunities in energy efficiency.

The Australian Greenhouse Office report entitled Tracking to the Kyoto target, which was released in December last year, confirms that Australian government current and committed policies are inadequate to meet Australia’s Kyoto target. Even more concerning is that the AGO report indicates that greenhouse emissions are due to continue to increase strongly to 2020 and that Australia’s emissions will be 127 per cent higher than 1990 levels. The Business Council for Sustainable Energy estimates that for Australia
to meet its Kyoto target a further six million tonnes of greenhouse gas emissions abatement is required by 2125. However, as long as the decision to implement the cost-effective energy efficiency opportunities through this legislation remains at the discretion of businesses, even if they have a no- or low-cost payback, these very clear economic productivity and environmental benefits will be lost.

What are the barriers to the uptake of energy efficiency? Commonsense economics suggests that, if energy efficiency has such a strong case for being cost effective, energy efficiency would be implemented through the invisible hand of the market. However, the Ministerial Council on Energy and the National Framework on Energy Efficiency have documented those known barriers. Lack of information, high transaction costs, access to finance, low-order management priorities and split incentives are some of them. Relevant information is not always available at the right time to the right people to enable informed energy efficiency choices to be made. Policies and programs that only provide information do not address or overcome behavioural barriers and inertia. As energy is a small proportion of total expenditure for most consumers, the potential savings are not perceived as justifying the necessary investment in time and effort to consider and implement energy efficiency improvements.

Many organisations do not have easy internal or external access to the necessary expertise or tools to identify or take advantage of the available energy efficiency opportunities. There are limits and priorities on the capital available to any organisation, and energy efficiency has to compete for this capital with other potential investments. Organisations appear to use a higher hurdle rate for energy efficiency investment than they use for other investments. In some situations, the financial incentives are split—the person or organisation that would need to invest in the energy efficiency improvement is separate from those who would gain the benefits from the resulting reduction in energy use. There is also uncertainty about the consistency and adequacy of resources and the continuity of government measures over the long term. Energy efficiency is not broadly integrated into the current curricula of TAFE colleges and universities or in the professional development programs of both professional and trade organisations. There is a lack of evidence of achievements from energy efficient applications and government measures as a result of a lack of consistent measuring and reporting of energy use and efficiency.

So, while NFEE stage 1 goes some way towards addressing these barriers, they are still very real. There will always be real barriers when the government relies on voluntary implementation of cost-effective energy efficiency opportunities. The uptake of energy efficiency is a front-line tool in the transition to a carbon constrained future. It is the least-cost abatement activity with positive economic and productivity benefits, yet energy efficiency is also the most underutilised policy with the government, which has not progressed past voluntary measures. Energy efficiency implementation is much too important to leave to the goodwill and voluntary undertakings of corporations, however socially responsible they may be.

Energy efficiency implementation is, we say, much too important to leave to the goodwill and voluntary undertakings of corporations, however socially responsible they may be. Some will progress and others will have it as a low priority. As the act is currently written—that is, identification and reporting but leaving the implementation to the discretion of the corporation—it will result in the same policy failure that was seen in the mid-nineties when corporations were
required to undertake audits but not to implement the recommendations even when it resulted in reduced costs and improved profitability.

Mandatory energy efficiency schemes already exist in places such as Italy and the UK. The energy efficient opportunities implementation of the UK schemes is predominantly delivered through energy retailers in order to simplify the administration. In Europe other energy efficiency schemes are developed with a trading component and therefore incorporate incentives for the implementation of energy efficiency activities. In Europe these schemes are referred to as white certificate trading. Currently the Victorian government requires all EPA licence holders with an energy usage greater than 500 gigajoules per annum—that is greater than 100 tonnes of energy related CO\textsubscript{2} equivalent and equates to $15,000 expenditure—to identify, report and implement all cost-effective energy efficiency activities with a payback period of less than four years. The Victorian government has announced an energy efficiency target. While details have yet to be released, I understand that a mandated energy efficiency target with a trading component is being considered in order to create further incentives for the implementation of efficiency activities. The New South Wales Greenhouse Gas Abatement Scheme, while primarily a carbon abatement program, also creates incentives for the implementation of efficiency activities. These are just a few examples of where energy efficiency policies are being introduced and supported with targets and frameworks to deliver real and mandated efficiency outcomes.

If this bill passes in its present form, the result will be a lot of energy audits but little implementation and productivity or economic benefits. The Democrats have circulated amendments that will deliver a broadened level of participation. For instance, the current act applies only to corporations that use 0.5 petajoules of energy per year and it is anticipated that that will only apply to 250 corporations. Making the scheme mandatory and lowering the threshold for participation will reduce Australia’s greenhouse emissions by 10 per cent and result in real productivity gains. Our amendments will require corporations to implement those opportunities with a less than four-year payback—that is, it would be no longer at the discretion of the corporation but become a mandatory requirement. If the company has implemented all cost-effective energy efficiency activities with a less than four-year payback then the company is not required to act further.

We would also reduce the threshold for participation to include commercial and industrial organisations with greater than 1,000 tonnes of energy related CO\textsubscript{2} equivalent emissions or energy consumption of greater than 5,000 gigajoules, whichever is the lesser. Lowering the participation threshold would bring in 5,000 companies to implement those efficiency activities. Those 5,000 biggest energy users would all be companies that would have more than 200 employees. So we are not talking here about small organisations. Clearly, there is a range of economic, national, social and environmental benefits to be gained from improving energy efficiency throughout the economy. It will result in gains in economic growth, consumer welfare and employment. It is in fact the most cost-effective greenhouse abatement activity there is. It will also ensure improved energy infrastructure utilisation and reduce energy supply costs. Another advantage of energy efficiency is that it can defer new capital investments until such time as cleaner generation technologies become less expensive and are geared up in terms of our own industry here in creating them.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Sen-
ate) (6.19 pm)—The Energy Efficiency Opportunities Amendment Bill 2006 seeks to make a number of minor technical amendments to the Energy Efficiency Opportunities Act 2006. Labor will be supporting the passage of this amendment bill, which will address deficiencies in the parent legislation which came into effect in July last year. The energy efficiency opportunities framework is worthwhile and we support these amendments. We are, however, deeply concerned by the Howard government’s approach to energy policy more broadly; in particular, its failure to accept the realities of climate change and the need for action on carbon emissions, a topic I will return to.

The purpose of the Energy Efficiency Opportunities Act was to provide a structure for mandatory assessment of energy efficiency opportunities and the public reporting of outcomes by businesses which use large volumes of energy. It is noted in the explanatory memorandum to the original bill that usage by business accounts for around 80 per cent of primary energy use. Within that, according to the ABS, 250 or so of the largest users account for 60 per cent of business energy use. The act’s requirement to conduct efficiency assessments and report on outcomes applies to the largest energy users—those using in excess of 0.5 petajoules per year, which is around 250 businesses, according to the ABS. The act leaves to the business in question decisions on investments identified by their normal business processes.

Labor have supported the establishment of the energy efficiency regime in this form with the coverage that I have indicated and with the take-up of efficiencies left to the businesses involved. We have consistently said that we want to see the scheme up and running in this form before we consider any further changes. I think these amendments will help to ensure that the scheme is given a fair chance, but we will be monitoring its effectiveness over the coming period. The bill, as I say, seeks to remedy a number of deficiencies in the act. It will ensure an unambiguous definition of the trigger year in which energy use creates a requirement to register under the act. It will allow participants to submit their assessment plans within 18 months of the end of the trigger year. It will clarify that assessment plans must cover the five-year period commencing the day after the end of the trigger year and that subsequent plans are required to start the day after the end of the previous plan. It will allow the delegation of the secretary’s powers under the act to certain officials.

Labor support those amendments. We support the intent of the act as a means to encourage business to identify and utilise efficiencies which otherwise might not be taken up. Despite the economic advantage, there is evidence that some firms just do not take those opportunities.

Australia is blessed with enormous energy reserves, but that abundance is perhaps not the best incentive to ensure that we are harnessing energy use and utilising all cost-effective energy efficiency opportunities. Our rate of energy efficiency and the improvement in that rate over the last three decades do not compare well with other industrialised nations. There is a clear challenge for us to remedy that. That applies as much to the way we use energy across our economy and society as it does to the largest business energy users. There are opportunities to increase efficiency in transport and in our homes as well as in our businesses.

While the measures in the act are worth while, they do nothing to address the broader challenge of the need for increased energy efficiency. We need to take a fresh look at energy use to meet the challenge of climate change in the context of our abundant energy supplies. This act will, we hope, encourage a
greater rigour in the use of energy, allowing business to gain greater benefit from Australia’s comparative advantage in the area.

Rising energy costs, the economic expansion of China, India and other economies, and the challenge of global warming all demand that we get the most out of our energy sources. Efficient energy use is a key contributor to our long-term energy security. As a nation we face complex energy challenges, and it is increasingly clear that the Howard government is not capable of meeting those challenges. It has proved unable to work with the states and territories to improve public transport, particularly in the major cities—an area of importance if we are to increase our energy efficiency and emissions reductions. The Howard government’s decade in power has been marked by its failure to support the renewable energy and alternative fuel industries. But where it has failed most abjectly is in its response to climate change. On this front the Howard government has given us a decade of denial and inaction. This is despite the IPCC reports and other reports that culminated in the 2006 Stern report.

We have seen the unedifying sight of the Prime Minister backtracking and backflipping. First he is a sceptic, then he is not; then he is again and then he is not. We have an industry minister who said just six months ago, ‘I am a sceptic of the connection between emissions and climate change’. He apparently has had a conversion, although I do not think Senator Minchin has quite been able to swallow the new government line. The government is simply incapable of taking us forward on this issue. Its scepticism—its denial—is just too deeply ingrained.

Four years ago the COAG Energy Market Review recommended a national emissions trading system. Bill Scales’s report for the Energy Reform Implementation Group, released last year, said that the ERIG had been struck by the significant concerns raised by market participants about market uncertainty in relation to possible future greenhouse gas abatement initiatives. There is a pressing need for investment decisions to ensure adequate baseload and peakload power is supplied for Australia, but these decisions cannot be made currently because of uncertainty over our national response on carbon emissions. Business tells me this every time I meet with its representatives. And Mr Scales continues to say that market participants have indicated to ERIG that greenhouse risk constitutes one of the most important barriers in the energy industry, particularly to new baseload coal investments. ERIG notes that most market participants desire a coordinated and sustainable policy approach to greenhouse. I note also that the Energy Supply Association of Australia has now come out in support of a national carbon emissions system, leaving the Howard government completely isolated on this issue. We have CEOs of major electricity generators and downstream gas providers calling for a national carbon emissions trading scheme and long-term targets for greenhouse reductions.

It echoes Labor’s policy and its target of reducing greenhouse gas emissions by 60 per cent by 2050. As the Energy Supply Association notes, the electricity generation sector is facing investment decisions that might total $100 billion over the next 25 years to ensure Australia’s future electricity supply. The government, in refusing to agree to a national emissions trading scheme, is holding up investment and jeopardising our future electricity supplies. Labor and the business sector are in agreement that we need to dramatically cut our greenhouse gas emissions and that the best way of achieving those cuts is through a trading scheme that sets a price signal on emissions. This will ensure that business has the certainty it needs to make
the necessary investment decisions to ensure adequate future power supplies. The government, through its denial and inaction, has left Australia unprepared for the huge economic and environmental challenges we now face.

In conclusion, Labor supports the amendment bill to iron out anomalies in the Energy Efficiency Opportunities Act. It is a small but important measure; we supported the original act, and we support this amendment bill. It is a useful way to encourage business to take up advantages of valuable efficiencies. It is a useful step and, while it does not go as far as many would like, we think it is an important addition to measures to encourage energy efficiency. We will be supporting the bill.

Sitting suspended from 6.28 pm to 7.30 pm

Senator MILNE (Tasmania) (7.30 pm)—I rise to contribute to the debate on the Energy Efficiency Opportunities Amendment Bill 2006. In fact, it should be called the ‘Energy Efficiency Lost Opportunities Bill’. What we see here is a technical amendment. We will be supporting that technical amendment, but the lost opportunity is to actually deal with energy efficiency. I will get to the amendments that the Australian Greens will be moving in relation to this bill when we get to the committee stage.

I am always appalled when I hear any debates on climate change in which the side of the equation that gets the most emphasis is producing greater supplies of energy. The other side of the debate—reducing demand through energy efficiency—is nowhere to be seen. Only last night, on an ABC program, we again had the former head of the Prime Minister’s task force on nuclear energy talking up the opportunities as he sees them for nuclear energy to increase supply and the coal industry talking up the need to continue to use coal. But we also had Alan Pears and Mark Diesendorf talking about renewable energy, energy efficiency and the capacity to reduce demand through energy efficiency measures.

The importance of energy efficiency is that it is the easiest and the fastest way to reduce energy use and therefore to reduce greenhouse gases. It is not something that requires any kind of rocket science; it just requires commitment from government to change the regulations to make sure that it happens. We have a situation in which the government has recently announced its intention to phase out light bulbs and bring in the more energy efficient light bulbs—and I applaud that; I think that is a good idea. But what it seeks to do is to distract the community into taking personal responsibility for their energy use whilst taking their eye off the fact that the government is not doing anything in terms of policy initiatives to deal with the main energy users.

Let us face it: it is not the domestic sector that is the main energy user when it comes to electricity. In fact, in the minister’s own document he said that 250 corporations that use more than half a petajoule of energy per year cover around 40 per cent of Australia’s total energy use. So we are talking about 250 corporations. What this bill did originally—and the amendment does not change it—was simply to say to those large energy users: ‘You are required to do an audit of energy efficiency opportunities and you have to report on that audit. And that is it; you are not required to implement the findings of that audit.’

When the legislation originally came in, I asked the then minister, Senator Ian Campbell: ‘Why is the government so resistant to requiring these companies to implement their audits and to start off with a low, very easy bar and then take it out to more difficult ones? Why is the government only concen-
trating on those companies that use more than half a petajoule of energy per year? Why don’t we phase in gradually and include companies that use lesser amounts over a period of time so that we capture more and more energy users and require them to implement the findings of their audits and get the bar higher and higher over time? He could not answer the question, and I will be very interested to hear Senator Colbeck’s response as to why the government still will not require these companies to implement the findings of their audits.

Why have we still got the focus on voluntary measures? Between the time that this bill was introduced and now, we have had the IPCC report globally, which has told us that things are grim in terms of climate change. We have reports virtually daily from scientists telling us that the IPCC report was way too conservative in its findings, that the impacts of climate change are accelerating and that the predictions scientists were making for 10, 15 or 20 years from now are actually occurring as we speak. We are seeing species extinction. We are seeing ice melt at a rate never expected. We have predictions coming out in April on the IPCC’s report on the impacts of climate change which are telling us that the polar bear is going to be extinct in the wild because the amount of ice we are losing in the Arctic is such that they will lose their habitat. That is just one example of what is going on as we speak.

Yet we still have a government that says, ‘We are only interested in voluntary arrangements.’ From the explanatory memorandum we know that the companies that used over half a petajoule in 2005-06 have until March, the end of this month, to register in relation to this energy efficiency opportunities legislation. By late November last year six companies—Alcoa World Alumina Australia, Hanson Australia, New Hope Mining, Queensland Alumina, Rio Tinto and Leighton Holdings—had registered for the energy opportunities program, and more are expected to register shortly. They are looking at their energy efficiency. They are required to register, but these companies can well afford to implement the findings of their audits.

The importance of doing it is that, if we implement energy efficiency initiatives now, it will buy us the time that we need to be able to roll out the renewable energy technologies so that we do not have people talking about building new coal fired power stations. We have just had the United Nations Foundation saying no new coal fired power stations should be built unless they can be retrofitted for carbon capture and storage. We also know that carbon capture and storage is at least 15 to 20 years away—if it ever occurs; it is unproven technology. We have had admissions in the last couple of months that the government’s big promise with clean coal is not working out as they expected. In fact, their aqua ammonia process is a complete failure. It is not scientifically viable as it releases large clouds of ammonia. So we are back to square one. We are back to the only process they have, which is a monoethanolamine process. It is going to double the price of coal fired power and it reduces the efficiency of power stations by 30 per cent, therefore increasing the pressure on the demand and supply side.

We need to buy some time, to not build polluting new infrastructure and to allow the renewables sector to roll out, by reducing energy demand. Why is that such a difficult concept for the government to grasp? Why is it that every time we are told about climate change and the government’s response we are told that demand for energy is soaring and therefore we need to build new supply constantly? Why can’t we reduce demand at the same time as we are working on rolling out the renewable energy supply?
In Europe they introduced an energy efficiency target by way of a directive from the European Commission. It has been hugely effective. They have brought in programs that deal with things like stand-by power. Most people are not even aware that 11 per cent of their energy usage is in the flickering lights that they might see if they walk around their house at night in the dark. They do not need those appliances to be on. It is carelessness, a lack of awareness and the fact that it is so difficult to reprogram a lot of these technologies. People would quite like to turn them off but in many cases they get frustrated because they have to reprogram them to get them back on again, and that makes it a no-win exercise.

We need governments to move in and require appliances to meet new standards so that the consumer can easily do what they want to do, and that is reduce their energy consumption and reduce their power bills at the same time. People want to do the right thing and they want to save money as well. But they are not being facilitated in doing so because the mandatory energy performance standards are too low. Why is it that you can still buy in Australia such inefficient appliances? Why is it that you can buy such inefficient electric hot water cylinders? We should not be doing that. They are not doing that in Europe because they recognise the cost savings that they can achieve by bringing in government regulation that requires new standards.

The Greens announced a few weeks ago a plan to roll out solar hot water across Australia. We pointed out that the government is forgoing $1 billion a year by providing people with a fringe benefits tax concession for using more and more fuel, you could use that billion dollars to roll out solar hot water across the country and you could back it up with higher mandatory energy performance standards so that you could not buy inefficient hot water technology.

At the same time, we need to strengthen the Building Code of Australia so that it is uniform across the country and is a higher standard than it is now. It was ludicrous, when I was in the Tasmanian parliament only a few years ago and introduced legislation to make it mandatory for insulation in new houses in Tasmania—which you would think was a logical thing to do—that the Master Builders Association came out and condemned it, saying that all that would do would be to increase the price of new houses. They refused to concede that not doing so adds inefficient housing to the building stock and leaves people with higher and higher power bills over time as they try and heat inefficient houses in the Tasmanian winter. Now, of course, people cannot understand how it was possible that people building relatively new houses in Tasmania were allowed to get away with not insulating them. It is ridiculous when we have an energy and global-warming crisis.

We need incentives to roll out energy efficiency technology, increased mandatory energy performance standards and mandatory and uniform increased standards in the Building Code of Australia for new houses, for retrofitting older houses and for extensions to existing housing stock. Where state governments are providing government housing they should be required to build that state owned housing stock to the highest levels of energy efficiency, because it would cost the consumers in those houses far less to live. They are the people who need those sorts of benefits, and we all need them as a
community in terms of climate change. But we are not seeing that level of consistency. Here we have a completely forgone opportunity.

With our amendments to this, the Greens are proposing, first of all, to set up a mechanism for the government to establish a national energy efficiency target. Then, from that, we need a strategy that is designed to achieve the target not only for big business but also for the transport and residential sectors. We would roll it out over a period of time, as the European Union has done. I congratulate the European Union for the leadership they showed on climate change just recently when they announced a 20 per cent reduction in greenhouse gas emissions below 1990 levels by 2020.

I remind the government that Jacques Chirac has said that the European Union is not going to tolerate countries around the world getting a free ride and that the European Union is considering bringing in a tariff on imports into Europe from countries that have not ratified the Kyoto protocol, that have not taken these matters into account. So, whether we like it or not, Australian exports going into Europe are very likely to be taxed in the foreseeable future with a carbon tax because of the failure of the Australian government to introduce appropriate policies.

Our amendments set up a mechanism for a national energy efficiency target. Secondly, it is a mechanism to require companies that are captured by this bill, those 250 that are effectively using 40 per cent of Australia’s total energy, to implement the findings of their energy efficiency audit over a period of time with an increasingly high bar. Another amendment is to capture those medium-sized companies so that they also get involved in this energy efficiency program over time.

Our amendment will require those companies to report to their shareholders what the energy efficiency audit says about what they could achieve over a 10-year time frame, for example. Whilst the government requires them to report on what the audit is doing, frequently they do not tell their shareholders because, contrary to the government’s view that they will automatically understand the cost savings and so just go ahead and do it, many of these corporations have other priorities that do not include energy efficiency and spend money on those and do not implement the energy efficiency audit.

So we need to achieve serious cuts—and it is my view that we need in excess of an 80 per cent reduction in Australia’s greenhouse gases below 1990 levels by 2050—if we are to have any hope of stabilising greenhouse gases in the atmosphere and containing a global temperature rise below two degrees, and that should be our aim as this parliament. It should be our aim if we are interested in the wellbeing of future generations and particularly our capacity to sustain ourselves in Australia in what is effectively a desert landscape in many parts of the country. We are already living beyond our ecological limits. Climate change is making that absolutely apparent in terms of extreme drought, extreme flood and bushfires. We are already experiencing the impacts of climate change. It is not good enough for the environment minister, Mr Turnbull, to stand up and say he is going to change over light globes and then not take the obvious step. Just one of these companies implementing their audit is the equivalent of 10,000 households. We are talking about serious energy efficiency savings if the government was actually serious, but I do not think it is.

I was disappointed to hear Labor’s spokesperson, Senator Evans, saying that Labor will support the framework as it cur-
rently is. Last time, Labor voted against these amendments that I am going to move again which require companies to implement their audit. I would hope this time that we get that support because since then the world has had a much clearer understanding of the size of task. Frankly, if we cannot act on the lowest hanging fruit, which is energy efficiency, then we have got no hope of getting where we need to be by 2020 and 2050.

There is an opportunity now for a tripartite response to the challenge, and I honestly believe that if the government moved in this way the Australian community would be enormously grateful, because 250 companies can make a big difference. This is not about a government subsidy; this is about a change to government regulation and abandonment of the notion of voluntary commitments and going with regulating for change. I would remind the government that Sir Nicholas Stern has said that climate change and the impacts of climate change are the biggest market failure of all time. The free market has failed in our efforts to address climate change.

Let us bring in the regulation now, and I urge both the government and the opposition to support the Greens' amendment for these companies, these 250 large energy users, to implement the findings of the energy efficiency audit and therefore delay the time in which decisions have to be made about new infrastructure at the same time as rolling out more renewable energy. It is a win-win for the country, and I would be very interested if there is any logical argument against it, because none are apparent to me.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (7.49 pm)—in reply—Thank you to the senators who have contributed to the debate on the Energy Efficiency Opportunities Amendment Bill 2006. I hope that we can see agreement on this bill, which makes amendments to the Energy Efficiency Opportunities Act 2006 to correct a small number of technical problems. These amendments will properly align the act with the original policy intent and improve its administration. They are consistent with the explanatory memorandum to the Energy Efficiency Opportunities Act 2006 and the Energy Efficiency Opportunities Regulations 2006 and the Energy Efficiency Opportunities industry guidelines. The amendments will enable the Energy Efficiency Opportunities program to be delivered as originally intended, ensuring that industry is not disadvantaged, and will assist in its administration. I commend the bill to the Senate.

Debate (on motion by Senator Colbeck) adjourned.

QANTAS SALE (KEEP JETSTAR AUSTRALIAN) AMENDMENT BILL 2007

Report of Economics Committee

Senator NASH (New South Wales) (7.50 pm)—On behalf of the Chair of the Economics Committee, Senator Ronaldson, I present the report of the committee on the Qantas Sale (Keep Jetstar Australian) Amendment Bill 2007, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator FIELDING (Victoria—Leader of the Family First Party) (7.51 pm)—I move:

That the Senate take note of the report.

I seek leave to incorporate some remarks about the report.

Leave granted.

The document read as follows—
Family First campaigned strongly against the Qantas takeover for three reasons —jobs, jobs and jobs.

Job security is a huge issue in Australia —it is a major concern for Australian workers and their families —and Family First wants to ensure that jobs stay in Australia and are not sent offshore. Protecting Australian jobs is Family First’s top priority because that gives workers and their families peace of mind.

It is extremely disappointing that the Economics Committee has decided to oppose the Qantas Sale (Keep Jetstar Australian) Amendment Bill 2007. The decision reflects the Government’s lack of commitment to Australian workers and their families as well as Australian jobs. It is not the first time the Government has abandoned Australian workers.

The Government’s workplace changes removed guarantees for public holidays, meal breaks and overtime and penalty rates. Family First voted against the WorkChoices legislation – I repeat, voted AGAINST the workplace changes — because they undermined family life and forced workers to bargain for conditions which were previously protected.

Now Australian workers at Qantas and its associated entities will also have to fight — to retain their jobs – as increasingly the company slashes costs in its quest to boost profits.

Jobs matter — all jobs matter — and job security is crucial for families.

Family First’s bill would have closed a loophole where currently only part of the Qantas Group is covered by the Qantas Sale Act. Qantas associated entities are not covered and the company can exploit that loophole to send Australian jobs offshore and to reduce wages and conditions. That is what Family First wanted to stop.

Sadly, both the major parties have been reluctant to stand in the way of a huge debt-ridden $11 billion buyout that threatens the jobs of thousands of Australian workers and their families.

Family First’s amendment to the Qantas Sale Act would have closed this loophole and ensured that restrictions that apply to Qantas – including rules about maintenance, training and administration – also applied to Jetstar and other associated entities like catering.

It is not difficult for Qantas to push operations into associated entities with a lower cost base like Jetstar. There is extensive evidence this is happening, even at the expense of Qantas-badged services’ growth and profit.

Michael Ryan, co-founder of pioneer low cost airline Ryanair commented on the Qantas strategy:

I would imagine that what they [Qantas] are trying to do is put as many of Qantas’ routes into Jetstar [as possible].

More recently, one commentator has argued that the Airline Partners Australia takeover deal is predicated on Qantas growing. The only place that can happen, with a company altering scale, is outside of Australia. And the only platform that can happen from, is Jetstar. Why? First, because Jetstar’s cost base is made so wonderfully competitive because Dixon & Co don’t have to deal with Qantas’ 13 unions. And second, because all the growth in the airline business is in the discount airspace.

As a result of this conscious strategy by Qantas to move more and more seats to Jetstar, more and more people will find themselves flying on Jetstar rather than on a Qantas flight.

Qantas has been transferring more and more of its seats to Jetstar, because of Jetstar’s lower costs and higher profits. As one reporter wrote, “Jetstar’s ... behind the improvements in all of the key measures of Qantas’s performance and its falling cost base.”

In another example, Qantas is using associated entity Australian Airlines to cut costs on Qantas-badged services. Jetstar may also end up flying aircraft on behalf of Qantas under Qantas colours, completing the corporate manoeuvre to achieve lower cost flights with fewer Australian workers and lower conditions.

It is vital to tighten the Qantas Sale Act given Qantas executives at the hearings stated:

The act does not require [Qantas] to maintain a majority of facilities in Australia ...
Family First was startled at the inquiry to hear Qantas executives admit “... all jobs within Qantas are under review ... It.

We already know the attitude of Qantas CEO Geoff Dixon about his workers and job security. Mr Dixon has said that his workers should be grateful to have jobs. Further, he has said profits are more important than workers and their families.

I sometimes get criticised for this, but I have always seen shareholders as our most important stakeholders. I know some CEOs say look after your customers, look after your employees, and the returns for shareholders will follow. I do the exact opposite.

Representatives of maintenance workers told the hearing about their involvement in an ongoing review:

I can say categorically and the Seabury consultants that were engaged by Qantas have said so quite bluntly that their recommendation to the Qantas board is to offshore the whole lot. We are struggling to save Australian jobs in maintenance and engineering.

The jobs are not only valued by the workers and their families, but by many others who have related and dependent employment.

Family First believes there is more to running a business than making a profit. Companies like Qantas and its associated entities have an obligation to the communities they serve.

Protecting Australian jobs for workers and their families is Family First’s top priority which is why Family First believes the Qantas Sale (Keep Jetstar Australian) Amendment Bill 2007 must be passed by the Parliament with amendments.

Senator FIELDING—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

AIRSPACE BILL 2006

AIRSPACE (CONSEQUENTIALS AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 6 February, on motion by Senator Colbeck: That these bills be now read a second time.

Senator CONROY (Victoria) (7.51 pm)—It is important that the government has brought forward the Airspace Bill 2006 and consequential legislation, and I am very pleased to speak on the bill tonight. I know that a number of my colleagues are very keen to participate in this debate, because it is a matter of national importance. As we have seen from recent tragic events, air safety is something that we cannot afford to overlook. That comes to issues around the proposed sale of Qantas. There are significant air safety issues and airspace issues. There have been arguments between Qantas, the pilots and the Civil Aviation Authority, which is why it is very important that this bill is given due consideration by the parliament. We cannot rush this bill through. We cannot have a government that is intent on driving this bill through without adequate consideration, and that is why it is important that we have the time tonight—and we appreciate that the government is allowing the time tonight—to debate this bill. We are very keen indeed to ensure those matters around air safety, airspace and the role that is played by the Civil Aviation Authority in the regulation and function of airspace.

This change is aimed at addressing any perception of a conflict of interest in Airservices Australia in its role as both the commercial air navigation service provider and the regulator of the level of service to be provided in particular volumes of Australian administered airspace. I was previously on the transport committee of the Senate, and I participated in a number of lengthy inquiries into the conduct of Airservices Australia—and not always, I have to say, have I been satisfied with how they have handled some of the difficulties. It is fraught. There have been many conflicts: many vested interest groups and many people have been involved in arguments. Prominent Australians—for
example Dick Smith, who I am sure is known to many on the other side of the chamber—have had very strong and passionate views.

There have been failed experiments with airspace regulation. We have been backwards and forwards, so it is important to make sure that we deal with these potential conflicts of interest. This bill will require the minister to make an Australian airspace policy statement on the administration and regulation of policy objectives for Australian administered airspace. The transfer of airspace regulation and administration from Airservices Australia to CASA will provide an additional function for CASA to regulate civil airspace.

Since 1995 the function to classify non-defence Australian airspace has been undertaken by Airservices Australia. There is a potential conflict of interest in a commercial provider of airspace services also being a regulator. The transfer of function will require CASA to establish a dedicated administrative unit, the Office of Airspace Regulation. The requirement on the minister to outline an Australian airspace policy statement should provide certainty for the industry, particularly in view of the significant changes to technology currently being instituted within Australia and in other jurisdictions. This statement will require major changes to Australian airspace to be subjected to risk analysis, detailed examination of the potential costs and benefits and stakeholder consultation. I note that my colleague Senator O’Brien, who I assure you knows far more about this bill than me, will be able to take this up in much greater detail than I have explained so far. I will defer to my colleague Senator O’Brien.

Senator O’BRIEN (Tasmania) (7.56 pm)—I did not catch the first part of the speech. I do not know how much of my contribution has been gazumped in a very effective way by Senator Conroy. Senator Conroy tells me he has not spoken about the opposition’s position on this legislation. I can say that the opposition will support this legislation. That probably encapsulates our position in a nutshell.

The purpose of the Airspace Bill 2006 is to ensure that Australian administered airspace is administered and used safely, taking into account protection of the environment, efficient use of that airspace, equitable access to that airspace for all users of that airspace and national security. Clause 8(1) establishes the requirement for the minister to make a statement of national airspace policy. The purpose of this statement is to define the basis for Australia’s airspace architecture, to outline the government’s objectives for airspace and air navigation services, to describe a process for airspace change, including a risk assessment, and to provide clear guidance to airspace regulators of the policy frameworks under which they operate. The statement is also to set out a strategy for the administration and use of Australian administered airspace.

The minister’s power to make the statement is not to be delegated. The details relating to this statement are set out in the remainder of clause 8. In general, the Civil Aviation Safety Authority must exercise its powers and perform its functions in a manner consistent with the minister’s statement. Under the Airspace (Consequentials and Other Measures) Bill 2006, the Civil Aviation Act 1988 will be amended to include a new section stipulating that, subject to the Aviation Act 1988, which requires CASA to regard the safety of air navigation as the most important consideration, CASA must exercise its powers and perform its functions in a manner consistent with the statement. This amendment to the Civil Aviation Act 1988 will also require that CASA notify the minister in writing if it is proposed to exercise a
power or perform a function in a manner that is inconsistent with that statement and to provide reasons for doing so. Some of the matters described in the statement are to be covered by regulations as well.

Clause 8(2) sets out the items that must at a minimum be included in that statement. This list requires that the statement must specify and describe the classifications to be used to administer Australian administered airspace, and these must be consistent with the International Civil Aviation Organisation’s classification system for airspace described in the Chicago convention or with differences lodged by Australia under article 38 of the Chicago convention and specify and describe the designations to be used for the purpose of restricting access to or warning about access to particular volumes of Australian administered airspace.

The equivalent provisions to these designations in the current regime are the volumes of airspace above areas of Australian territory declared by Airservices to be prohibited, restricted or danger areas under part 2 of the Air Services Regulations. These volumes of airspace currently include the airspace above prohibited, restricted and danger areas defined in the Air Services Regulations, to be transferred to the Civil Aviation Safety Authority.

Further, the statement will describe the processes to be followed by CASA as the airspace regulator when changing the classifications or designations of particular volumes of Australian administered airspace. The statement will describe a robust risk based decision-making process for major changes to the classification and designation of airspace. It is intended that the process to be followed for such changes will require at least the following three elements: a risk assessment, a cost-benefit analysis and consistency with government policy objectives.

The statement will also ensure that major changes to the administration of airspace will be tested through consultation with stakeholders.

Further, it will outline the government’s policy objectives for the administration and use of Australian administered airspace and include a strategy for the future administration and use of Australian administered airspace. This strategy will make future airspace changes more predictable. For example, the strategy may include descriptions of how Australian administered airspace will accommodate technological change. Clause 8(3) allows the minister to include any other matters that the minister thinks appropriate, and clause 8(4) states that the statement described in clause 8 must be consistent with the Chicago convention, and this includes the annexes to the convention. Where Australia has notified differences under article 38 of that convention, the statement must be consistent with those differences.

Clause 8(5) provides that the Australian airspace policy statement will be a legislative instrument, but neither section 42 nor part 6 of the Legislative Instruments Act 2003 applies to the statement. This means that the statement must be tabled as required by the Legislative Instruments Act 2003 but is not disallowable and may not be the subject of a sunset clause. However, clause 10 of this bill requires that it will be subject to regular review, including a comprehensive consultation process. Clause 9 does deal with that. It requires the minister, when developing the statement, to consult the Civil Aviation Safety Authority, Airservices Australia and any other person or body the minister thinks appropriate. Consultation under clause 9(2) will include consultation with the Minister for Defence, and it is likely that the first statement will be developed as an interim statement in order to be in place at the point that regulations are made conferring relevant
airspace functions and powers upon the Civil Aviation Safety Authority and removing those functions and powers from Airservices. That is to ensure that CASA has in place a complete legislative framework for administering and regulating Australian administered airspace. All of this is in a framework where a statement must be made by the minister every three years. Clause 10 directs that this must occur. The intent of the provision is to ensure that there is no more than three years between the end of one review commissioned by the minister and the end of the next airspace regulation.

Clause 11 makes provision for regulations to be made under the proposed Airspace Act to provide the Civil Aviation Safety Authority with the powers and functions necessary to administer and regulate Australian administered airspace. At the time those regulations are made, part 2 of the Air Services Regulations will be repealed, and all instruments made under those regulations will be grandfathered in order to maintain continuity of airspace architecture in Australian administered airspace. Transitional provisions enabling regulations to be made to put this arrangement into effect are included in schedule 3 of the related consequential amendments bill.

The provisions of clauses 11(2)(a) to 11(2)(k) list some of the matters that may be dealt with in regulations under this bill. It is not an exhaustive list. Clause 11(3) notes that the matters listed under clause 11(2) do not limit the matters for which regulations may be made under this bill. Subclauses under 11(2) describe matters that may be put into regulations to allow CASA to determine the appropriate services for particular volumes of airspace. In addition, regulations may be made to empower the Civil Aviation Safety Authority to regulate the provision of aeronautical information services in Australia. It is intended that Airservices Australia will remain the provider of Australia’s aeronautical information service pursuant to annex 15 of the Chicago convention. Clause 11(2)(j) will enable CASA to regulate the quality of the information provided by Airservices Australia and other providers of civil aeronautical information services in Australia. Regulations may be also be made to empower CASA to obtain information from the operators of aerodromes, the owners or operators of aircraft, or the providers of air navigation services. Clause 11(3) notes that the matters listed under clause 11(2) do not limit the matters for which regulations may be made under this bill.

There are a variety of other matters which make provision for such matters as the Civil Aviation Safety Authority delegating its functions and powers to another person. Circumstances when that might occur are most likely when decisions are required in the management of Australian administered airspace. For example, this could occur with respect to the designation and conditions of use of an air route or airway and the giving of directions in connection with the use or operation of designated routes and airways. In addition, provisions define ‘aerodrome’, ‘aircraft’, ‘air route’, ‘air route facilities or airway facilities’, and ‘airway’ and draw those meanings into line with the meaning in the Civil Aviation Act 1988. Other terms will defined in the airspace regulations.

Clause 12 provides direction to CASA on how it is to perform the functions and powers given to it in the airspace regulations, in particular to achieve the balance of matters referred to in clause 3 of the bill, subject to obligations in sections 9A, 11 and 11A of the Civil Aviation Act 1988, and it requires the Civil Aviation Safety Authority to actively encourage the efficient use of Australian administered airspace and equitable access to it and to ensure that national security concerns are accounted for.
As I mentioned earlier, as part of the role of the airspace regulator, clause 13 specifies that CASA is expected to conduct regular reviews ‘of the existing classifications of volumes of Australian-administered airspace in order to determine whether those classifications are appropriate’, in clause 13(1); ‘of the existing services and facilities provided by the providers of air navigation services in relation to particular volumes of Australian-administered airspace’, in clause 13(2); and ‘in order to identify risk factors and to determine whether there is safe and efficient use of that airspace and equitable access to that airspace for all users’, in clause 13(3). Clauses 14(1) and 14(2) provide for the minister to request advice from the Civil Aviation Safety Authority, by writing to that organisation, on a matter related to Australian airspace policy. In other words, CASA will assist the regulator in relation to that matter.

In essence, all of that means that this bill provides for the transfer of airspace regulation and administration from Airservices Australia, which has had this power for some time, to the Civil Aviation Safety Authority. This will provide an additional function for CASA to regulate civil airspace. Since 1995, the function to classify non-defence Australian airspace has been undertaken by Airservices Australia. There is a potential conflict of interest in a commercial provider of airspace services also being a regulator. The transfer of function will require the Civil Aviation Safety Authority to establish a dedicated administrative unit, which will be called the Office of Airspace Regulation. In addition, the bill requires the minister to outline an Australian airspace policy statement. This change should provide certainty for industry, particularly in view of significant changes to technology currently being instituted within Australia and in other jurisdictions. The statement will require major changes to Australian airspace to be subject to risk analysis, detailed examination of the potential costs and benefits and stakeholder consultation.

As I said earlier, the opposition will be supporting this bill. That is not to say that we do not have some concerns in relation to this arrangement—not that it is inappropriate, because it is appropriate; not because the principles that underlie the bill are flawed, because we do not have that concern. Our concern is that the Civil Aviation Safety Authority has not performed to the standard that would give the opposition complete confidence that allocating an additional power to that organisation is the best course of action at this point in time. However, we are guided by the principle that the structure to be put in place ought to be the most sensible and consistent. We also believe that these provisions are capable of delivering for Australia a sensible and consistent model of regulation and removing the inconsistency of a service provider of airspace also being the regulator of that airspace.

I have had a lot to say in this chamber about the deficiencies in the performance of the Civil Aviation Safety Authority—not in relation to this power, of course, because they do not yet have it, but in relation to their regulation of operators in Australian airspace. The Lockhart River tragedy has taken some time of this chamber. I make no apology for bringing matters such as that before this chamber. We still await the Australian Transport Safety Bureau’s final report on that tragedy. It has been some time since the draft was sent to interested parties—which I believe included the Civil Aviation Safety Authority. I will not be surprised if there are criticisms of the Civil Aviation Safety Authority in the document when it is finally issued.

We will hold our opinion until we see that document, but there are certainly great con-
cerns held within the community of North Queensland about the way that CASA performed their functions in relation to Transair. It of course is a matter of history that Transair was finally, some time after the crash, the subject of regulatory action by the Civil Aviation Safety Authority, which ultimately saw it concede its licence following two particular actions by the authority under its legislation. Of course, the families of those killed in the Lockhart River tragedy will continue to wonder whether their loved ones would have been saved had CASA acted more expeditiously in relation to matters that were drawn to its attention over a long period of time—matters which seem to go to the very fundamentals of the safety of the operation of that organisation.

There have also been concerns expressed about the Civil Aviation Safety Authority’s performance in the minister’s own state, Western Australia. There has been at least one instance—but I believe there could have been more—where a coroner has made very critical comment about the performance of the authority in relation to a fatality: for example, where the authority approved the manufacture of an aircraft part inappropriately and that aircraft part, according to the coroner, led to a crash and a fatality. The performance of the authority has been good in some areas. I think, overall, the opposition’s view is that its performance nationally has been quite patchy.

There have also been concerns expressed from the state of Western Australia, in particular, about the way that officers of CASA have used their authority to pursue, if not persecute, particular operators—matters which have led to proceedings before administrative tribunals and, I believe, the Federal Court. One particular case, which I will not put on the record now, ultimately saw the operator continue to operate because, frankly, in the operator’s view, he had pockets deep enough to continue to challenge the decisions, the processes and the practices of CASA in relation to his business.

Those concerns are matters which the opposition and I have raised in this chamber before. They are matters that the opposition will continue to pursue. We do hope that, in this new section of CASA that is being created to regulate airspace, the organisational culture being created can ensure that this area functions most efficiently, because there is one certainty in aviation regulation: if airspace is not regulated properly, the chance of incidents and accidents occurring is greater. That is something that the Australian travelling public will not countenance. That is something which will affect the credibility of aviation services in Australia and which will impact on Australians’ preparedness to travel. We will support this legislation, but we do so whilst having serious concerns about the performance of and the culture within the Civil Aviation Safety Authority. We hope that can be improved; in government, we would certainly make sure it was.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (8.16 pm)—In summing up this second reading debate, I am going to be very brief, given that we have only had a few speakers—though nonetheless very important speakers—on the subject of air safety. I would like to thank the senators for their contributions to the debate on the Airspace Bill 2006 and the Airspace (Consequentials and Other Measures) Bill 2006, which form an important part of the government’s approach to airspace reform. Transferring the airspace regulatory function from Airservices Australia to CASA will address a perceived conflict of interest, as set out by Senator O’Brien, between the service delivery function of Airservices Australia and its role as the airspace regulator—a very important distinction.
The world is a changing place, and these bills will ensure that Australia is in a position to take advantage of the benefits that new technologies currently offer. We are keen to do so in a way that is inclusive of stake-holders and allows them to understand and embrace those changes. The bills will ensure that airspace regulatory decisions made by CASA are consistent with government objectives, subject to the safety of air navigation. Future reform proposals are to be better backed by solid analysis, including cost, benefit and risk analyses. The safety of air navigation will continue to be the most important consideration—the overall priority, in fact. However, CASA will also need to embrace opportunities to enhance efficiency, access, environmental protection and national security without compromising that important objective of safety.

In closing, I would like to acknowledge the work of the Senate Standing Committee on Rural and Regional Affairs and Transport during their inquiry into these bills and thank them for their comprehensive and timely work. As the government wants to see the new airspace regulatory arrangements in place by 1 July of this year, it appreciates the prompt consideration of these bills and the additional opportunity provided by the committee’s work for the aviation industry to provide comment.

The committee made three recommenda-tions in its report, primarily concerning the preparation and publication of airspace policy statements and the delegation of functions and powers under the bill. The Minister for Transport and Regional Services has written to Senator Heffernan addressing each of these concerns. The government is committed to industry and stakeholder consulta-tion in the preparation of all airspace policy statements. These statements will be publicly available via government online resources in addition to the tabling requirements provided for in the bill. Any delegation of powers and functions under the bill will be defined in regulations. I acknowledge the concerns that prompted the committee to recommend these amendments; however, I consider that the bill and the clear commitment from the government on stakeholder consultation provide satisfactory mechanisms to address these concerns. I commend these bills to the Senate.

Debate (on motion by Senator Johnston) adjourned.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING AMENDMENT BILL 2007

Second Reading

Debate resumed from 1 March, on motion by Senator Coonan:

That this bill be now read a second time.

Senator LUDWIG (Queensland) (8.18 pm)—I rise today to speak on the government’s amendments to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, more commonly known as the AML-CTF Act. The Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007 represents another step in the long and painful process that only last year resulted in the passage of the act itself. Once again, we see more evidence of the government’s lax approach to this critical area of Australian security. The government has tried to talk tough on protecting Australia, yet its actions let us down again. Before I begin, I would like to make clear that Labor supports this bill. In fact, it was Labor’s efforts in highlighting the delays in this process that shamed the government into action on the anti-money-laundering and counter-terrorism financing front. It is Labor’s support for business that ensures we arrive at a workable model. However, here we are again trying to correct the government’s legislative
drafting errors in an act that is, in fact, still largely to take effect.

It must be pointed out that all of these amendments could have been dealt with last year when we were debating the bill that became the principal act, but the Howard government insisted on shunting the bill through the parliament without it even being corrected. It is no wonder that the Howard government has become the master of red tape. It is a government that operates at only two speeds: legacy and panic. After the passage of this bill, the AML-CTF Act will accumulate another layer of unwieldy complexity. We will have an act, an amending act, a set of regulations, a set of rules, and no doubt there will be guidelines somewhere as well. The bill before us will introduce a range of technical amendments to the AML-CTF Act. As I have already indicated, the act itself was only passed finally last year after what will, I am sure, be remembered by all as one of the longest and most drawn-out legislative processes in parliamentary history—subject, I think, to the native title legislation.

The impetus for the AML-CTF Act were the recommendations of the financial action task force, more commonly referred to as FATF. FATF is essentially an international cross-governmental body which sets out international standards for financial security to fight money laundering, and it updates these from time to time. The bill’s general provisions are contained in FATF’s 40 general recommendations. Since late 2001, FATF has also developed another set of recommendations relating to counter-terrorist financing. These were released in the wake of the September 11 attacks. All up, there are 40 general recommendations and nine special recommendations representing the international standard for financial security and the prevention of money laundering and terrorist financing. Let me be perfectly clear about how important these recommendations and standards are: they are fundamental to a coordinated fight against international crime and terrorism. The previous Minister for Justice and Customs, Senator Chris Ellison, said as much in 2002 when he stated that criminals and terrorists will continue to take advantage of jurisdictions where the law enforcement and regulatory powers are the weakest.

Legislation to bring Australia into line with our international obligations was promised back in 2003. But, as I have already said, the previous minister’s actions and those of the government have not matched the rhetoric. For years, the government dithered and refused to bring legislation before parliament to bring Australia’s legislation in line with the international standards. If FATF provided the impetus, the government provided the inertia. In fact, in 2005 two international reports were released which slammed Australia’s tardy response. Firstly, the FATF country report found that under the Howard government Australia had met only 12 of the 40 general recommendations and not a single one of the nine special recommendations. Secondly, a department of the United States released a report in the same year which was also scathing of Australia’s response. Australia was labelled as a ‘major money-laundering country’ and ‘a country of primary concern’. In other words, the United States labelled the Howard government as a soft touch on money laundering and terrorist financing. The scathing international criticism of Australia had one advantage, however, because—combined with pressure from Labor—it finally started to convince the Howard government of the urgent need for reforms.

Still, the government’s response in late 2005 and through 2006 could best be described as a panic in slow motion. We saw the first raft of bandaid solutions in the Anti-Terrorism Act (No. 2) 2005. This introduced
a few of the measures that were required to bring us closer to the international standards. The problem with these bandaid solutions, though, was that the Attorney-General’s Department failed to consult properly with affected industries. During the Senate committee’s inquiry, it was revealed that the government had not shown the final draft to industry. In fact, the affected industry and the government disagreed strongly on the critical question of the cost of the new arrangements. To little surprise, the industry had the better estimate of the cost. Before the bandaid solutions contained in the Anti-Terrorism Act (No. 2) 2005 had even commenced operation, the government was forced to go back and revise it. It was forced to do this because, and here I quote directly from the explanatory memorandum of the bill:

If the amendment to restrict the application of Division 3A of Part 11 of the FTR Act to ADIs is not made, then certain legitimate non-bank money remitters assert that they could be put out of business.

The government was forced to concede that their own legislation had been so poorly drafted that it would have put people out of business had it actually come into force. This is the low standard of law making to which the Howard government has declined.

We finally saw the complete legislation at the end of last year, but even at the 11th hour the government was making last-minute alterations. The explanatory memoranda were written and withdrawn and new ones were released.

Finally, I would point out that, even after half a decade of delays, international criticism and bandaid solutions piled upon bandaid solutions, the legislation that was passed by parliament last year does not even contain the full complement of the recommendations. The government is still to bring forward a second tranche of reforms to finally bring Australia into line with our international obligations. But I will not be holding my breath. Without the implementation of the full range of recommendations, you have what is at best a maginot line—that is, a wall of seemingly impregnable defences that might look threatening but can be circumnavigated with surprising ease.

**Senator Brandis**—You do not circumnavigate land walls.

**Senator LUDWIG**—The legislation that we have seen to date delivers only part of what is required. Senator Brandis, I see that you are here in the chamber today. I turn now to the bill before the Senate. This legislation continues the government’s piecemeal approach under which legislation is constructed in patchwork one fix at a time.

**Senator Brandis**—I am just trying to patch up your cliches.

**Senator LUDWIG**—Let us hope, Senator Brandis, that when you bring legislation to parliament you do not follow this outline. Before us today is the latest attempt from the government to patch up its money-laundering regime. But if you do, Senator Brandis, I will be here looking.

The bill makes a number of changes, the most significant of which I will quickly address. The substantive amendments to the bill extend the operation of the AML-CTF Act to the Australian Secret Intelligence Service, ASIS. It effectively gives ASIS the same access to AUSTRAC information that ASIO has. In Labor’s view, this is a sensible amendment which will give Australia’s chief foreign intelligence agency the same access to information that Australia’s chief domestic intelligence agency has. There does not seem to Labor to be any reason not to extend the availability of AUSTRAC’s financial intelligence. Labor is in support of the general principle that our intelligence agencies should have access, provided civil liberties are adequately protected.
In this case, ASIS is governed by the Intelligence Services Act 2001, which provides a range of safeguards and oversight mechanisms for ASIS. There is also a raft of amendments to improve the technical operation of the act. For instance, the bill will clarify that signatories to a range of types of accounts, rather than simply the holder of the account—as provided for under the current legislation—fall under the aegis of the legislation. Similarly, exemptions from certain obligations under the act are extended to merchant terminals. There appears to be a drafting error in the act because the term ‘merchant terminal’ is not defined, although we can glean from the explanatory memorandum that it is intended to refer to EFTPOS and like services, but it is not defined. I ask the minister responsible—and I am sure the advisers will take note—whether, in his summing-up, he could indicate whether ‘merchant terminals’ was intentionally meant to be read on the plain words or whether an actual definition is required, and whether the government has taken into account the possible impact of technological changes in this area.

Before I conclude, I would like to address the government’s response to a range of recommendations made by the Senate Standing Committee on Legal and Constitutional Affairs, which examined what is now the principal AML-CTF Act. The government has agreed to a number of recommendations that were made by the committee and, in some instances, has gone further. Labor welcomes these improvements. Unfortunately, a range of recommendations were not adopted by the government but should have been.

I foreshadow that Labor will, again, be moving amendments in the Senate to improve the AML-CTF Act. Firstly, I turn to recommendation 4 in the committee report. This recommendation stated that clause 6(7) be deleted from the bill. Briefly, this is a matter that has obviously been aired before. That clause is a Henry VIII clause, a clause which allows regulations to alter legislation. Clause 6(7) would allow the government, by regulation, to expand the range of products and services to which the act applies. In effect, the government would be able to expand this piece of legislation to include any financial service it wished. Indeed, this is precisely the government’s argument for its retention. Labor does not agree and believes it is unacceptable.

If there is a need to alter the legislation then the bill should be brought before parliament and the legislation should be altered in that way. The government, in its response, indicated that these provisions were necessary and gave a commitment that it would not use the power to expand the legislation to include services that were intended to be dealt with in the second tranche of the legislation. But this is beside the point.

Whether or not the government intends to expand the operation of the legislation to include tranche 2 services, it still intends to retain the power to expand the legislation to any service it wishes by executive fiat and without adequate parliamentary oversight. Labor does not believe this is acceptable, and I foreshadow that I will be moving amendments in line with the committee’s recommendations.

The committee made the further recommendation, recommendation 5, that the CEO of AUSTRAC be given the power to deregister or refuse registration to an organisation which is seeking registration as a designated remittance service. The government rejected this with the reasoning that registration did not confer any status on designated remittance providers and existed solely to locate and identify remittance providers. Again, I believe this response from the government missed the point. Quite simply, if there is a
repeat offender then the CEO of AUSTRA, as a regulator, should have the power to refuse to allow that organisation to operate as a designated service provider or to deregister it. Again, I foreshadow that I will be moving amendments in line with that recommendation.

Recommendation 1 was a recommendation by me and my Labor colleagues on the committee which went to the oversight of AUSTRA by the Australian Commission for Law Enforcement Integrity, or ACLEI. Currently, there is no oversight by ACLEI because the government claims it is not required at this stage. This is despite AUSTRA’s new role as a regulator. Given that AUSTRA, for the very first time, now holds powers both as a regulator and as a law enforcement intelligence collector, to leave it without effective oversight is not acceptable. Labor will be calling on the government to rethink its position on this recommendation, and I foreshadow that I will be moving amendments in the Senate to give ACLEI oversight of AUSTRA.

To conclude, we are yet again correcting mistakes in important national security legislation. At some point you have to ask: when will the Howard government get the legislation right? The previous Minister for Justice and Customs liked to talk about security as a work in progress, yet in a large part much of the progress seems to be fixing up the government’s own mistakes. Have no doubt: sloppy legislation is a threat to national security. We have already had parliament recalled to specifically change the drafting of a single word. It is my hope that both the new Minister for Justice and Customs and the current Attorney-General will wake up to this government’s past failings and lift its performance.

Notwithstanding the outstanding problems, as I have said in my opening, Labor will support this bill as the amendments contained within it are appropriate and ones with which we agree. In addition, as I have foreshadowed, we will move amendments to improve both the bill and the act, but I reiterate Labor’s support and commend the bill to the Senate.

Senator MURRAY (Western Australia) (8.36 pm)—The shadow Attorney-General has put the case very clearly with respect to the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007—that is, the bill is still part of a process to which, regrettably, the government has had to be pushed. There are areas where the government has acted promptly and well, such as Corporations Law and laws to better advance corporate governance. But there are other areas where it has not done anything at all and, in fact, has moved backwards—for instance, political governance. In the area of anti-money laundering, the Labor Party indicated that it had put the government under considerable scrutiny with respect to its very slow progress—so too did the Democrats. In my portfolio responsibility, I argued the case many times for the advancement of counter-money laundering measures and questioned the responsible minister on the matter. This is one of those cases where we have to be thankful for the existence of vigorous foreign organisations and bodies, supported by foreign governments, which are very anxious for Australia to catch up in this area. That time line has been outlined by the shadow minister.

The second area that the shadow minister has covered successfully is that of continuing concern about the provisions within the legislation itself. I note with some approval that amendments which were previously put to the substantial bill and which failed are to be put again by Labor. These amendments will again attract the support of the Democrats because they are necessary.
I noted with mild amusement the shadow minister’s historical reference to the maginot line. I expected him to then start quoting Sun Tzu, Clausewitz or even Shaka Zulu—all of whom were quite expert on the issue of frontal versus flanking attacks. I think all three came to the conclusion that a flanking attack was often more effective than a frontal attack and that a frontal attack should only be used when the other side would be surprised by it. Maybe an analogy in politics might be apposite. I tend to see far too many frontal attacks in politics, and I would suggest flanking attacks might be as effective in politics as in war.

Returning to the bill—and moving away from an indulgence—it makes technical amendments to seven acts. Those seven acts include the substantive act, the Anti-Money Laundering and Counter-terrorism Financing Act 2006 and its companion act, the Anti-Money Laundering and Counter-Terrorism Financing (Transitional Provisions and Consequential Amendments) Act 2006, the Administrative Decisions (Judicial Review) Act, the Commonwealth Electoral Act, the Financial Transaction Reports Act, the Inspector-General of Intelligence and the Security Act and the Surveillance Devices Act. It is not an omnibus bill. It is just a sign that when you are making a series of technical amendments to a piece of legislation which has tentacles into other areas of responsibility, you are going to have to amend a number of acts.

The legislation does take into account—and the government is to be congratulated on this—concerns raised by reports of both the Senate Standing Committee on Legal and Constitutional Affairs and the Senate Standing Committee for the Scrutiny of Bills. Some of the amendments before us address concerns raised by the Democrats, Senate committees and Senate colleagues last year. In particular, the bill addresses the issue of absolute liability rather than strict liability and moves down the scale somewhat, at the request of the Scrutiny of Bills Committee, from absolute liability to strict liability provisions. Amendments also address the issue of the merits review, AUSTRAC Chief Executive Officer decisions and the right to apply to the Federal Court. Like ASIO, ASIS is also going to be made a designated agency, granting its officials access to AUSTRAC information. Further technical amendments will enable intelligence agencies to fulfil their functions under legislation and consequential technical amendments.

The amendments in the bill address the concerns of several stakeholders both in the public policy field and in the political field. What remains are concerns about how the act and the amended act will operate and how effective this legislation will be at countering money laundering. As I have emphasised when I have addressed this matter before, in that regard this legislation is as important to tax integrity issues and the health of our economy and society as it is to the concerns surrounding terrorism.

The other point with respect to how this bill will operate is privacy concerns—whether in the proper exercise of this policy there will be transgressions in privacy matters which we might end up regretting or which might upset members of the community. Any government needs to watch that with care and react to it with sympathy and understanding if, indeed, the legislation is found to go further in its practice than it was intended.

When introducing the bill into the House of Representatives the Attorney-General did note that the Senate Standing Committee for the Scrutiny of Bills had raised concerns about the application of absolute liability rather than strict liability to some elements of offences under many sections in the act. The Minister for Justice and Customs, a former
member of that committee, did undertake to amend these sections to replace the application of absolute liability with strict liability. It is with some pleasure that I note that the new minister in that portfolio, who I congratulate on his promotion, was indeed recently a respected and valued member of the Senate scrutiny of bills committee. I look forward to as few transgressions of that committee’s reference as possible under a minister who is sensitive to those areas.

The question then is: what will be the Democrats’ attitude to this bill? Despite being cautious on privacy matters, we are nevertheless of the belief that an anti-money-laundering and counterterrorism financing act was an essential element in our criminal law and in our fight against these diseases that exist at large in international and domestic affairs. We are supportive of these amendments. We think though that regular review and regular oversight should be dedicated to this new act to ensure that its actual operation does not go further than its intention. I conclude by again indicating that it is our intention to support the Labor Party’s amendments.

Senator NETTLE (New South Wales) (8.46 pm)—Australians value their privacy. They expect that if their government is to create new powers for Commonwealth agencies that will potentially violate their privacy, such changes are necessary and justified. Such an expectation is reflected in the history of government attempts to introduce a national ID card. First Labor’s Australia Card and now the Howard government’s access card have floundered after the failure of both governments to justify such intrusions into people’s human rights and privacy.

The changes outlined in the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007 have been characterised by the government as technical amendments that have arisen out of further consultation regarding the controversial anti-money laundering and counter-terrorist financing laws. Whilst that is true for most aspects of the bill, it is not true in one important respect—this bill will, for the first time, give Australia’s overseas spy agency, the Australian Secret Intelligence Service or ASIS, access to the personal financial information held by the Australian Transaction Reports and Analysis Centre, or AUSTRAC. The government have not justified why they believe that this is necessary. They have said virtually nothing at all about the reasons why ASIS needs this unprecedented power.

As far as we know, the government have not raised this plan in discussions regarding the first round of money laundering bills that this piece of legislation is seeking to amend. There has been no Senate inquiry into this proposed change and there has been virtually no public discussion about this particular aspect of the changes. In fact the government are seeking to make what the Australian Greens consider to be a very significant change under the guise of a technical amendment. The Greens want to know: is it a technical amendment to allow ASIS access to the financial records of many Australians? Is it a technical amendment to allow ASIS access to the financial records of many Australian businesses? Is it a technical amendment to allow ASIS to access such records in secret? Is it a technical amendment to give ASIS a substantial and powerful new means to collect information on many Australians? The answer is that this is not just a technical amendment; this is a substantial and questionable new power being given to ASIS without the necessary safeguards and without reasons having been put forward as part of public debate.

AUSTRAC is Australia’s anti-money laundering regulator and specialist financial intelligence unit. It collects a wide range of
financial information and regulates a risk based reporting regime that requires the finance industry to report on their customers where they believe that there is a risk of funding terrorism or money laundering. As such, it holds information on and has access to the financial dealings of large numbers of people, businesses and organisations in Australia. The Australian Greens accept that there may be cases where it might be justified to allow access to AUSTRAC information by ASIS—for example, ASIS may be involved in disrupting a terrorist effort—but we believe that such access should be clearly limited by legislation and mediated through the domestic security and police agencies or a judicial authority. We do not accept that ASIS, Australia’s most secret intelligence organisation, should have such wide access as this bill would provide.

It is worth recalling exactly what ASIS is, what it does—or at least what we know about what it does—and some of its history so as to understand the concerns that the Australian Greens have about this particular aspect of this legislation. ASIS’s function is stated in the Intelligence Services Act 2001. The role of ASIS is defined as being: to collect foreign intelligence, not available by other means, which may impact on Australian interests; to distribute that intelligence to the government, including key policy departments and agencies; to undertake counterintelligence activities which protect Australian interests and initiatives; and to engage other intelligence and security services overseas in Australia’s national interests. According to the government in their reports they put out about the various different intelligence agencies that exist, ASIS is not a domestic law enforcement agency—it does not have a policing role; its job is to collect overseas intelligence. Like America’s CIA and Britain’s MI6, ASIS was born at the beginning of the Cold War in 1952. Its activities are so secret that it was not even publicly acknowledged until 1977, by the Fraser government. It has only been governed by legislation since 2001. So this is an organisation that came into effect in 1952 and was only governed by legislation for the first time in 2001.

At times ASIS has been mired in controversy, firstly for its role in the bloodletting following the 1965 military coup by Suharto in Indonesia, where it was alleged to have provided lists of names to death squads, and then for its work in Chile under the Pinochet regime. Its 1983 bungled hostage exercise in Melbourne’s Hilton Hotel left guests and employees being terrorised by ASIS members wearing masks and carrying machine guns. This, of course, caused an uproar at the time. Even the hotel manager was assaulted by ASIS officers. More recently, in 1993, ASIS attracted attention when former employees claimed that it was out of control and compiling dossiers on Australian citizens. A subsequent royal commission found these claims to be substantially unproven, although the foreign minister at the time, Gareth Evans, acknowledged that some files on Australians were being kept by ASIS.

In short, ASIS has had a chequered history in the eyes of the public, and the fact that people know little about this secretive organisation means that there are lingering concerns about its accountability activities. It is certainly assumed, and this is what the government tells us, that its job is to spy on overseas governments and organisations, not to spy on Australians. This was reflected in the original charter for the organisation established by the Menzies government, which expressly required ASIS to operate ‘outside Australian territory’.

Subsection 11(1) of the Intelligence Services Act also reflects this principle when it states that the functions of ASIS are:
... to be performed only in the interests of Australia’s national security, Australia’s foreign relations or Australia’s national economic well-being and only to the extent that those matters are affected by the capabilities, intentions or activities of people or organisations outside Australia.

Concern over the privacy of Australians is also reflected in section 15 of the Intelligence Services Act, which has rules to protect the privacy of Australians. This section states that the foreign minister must make rules for ASIS regarding the communication and the retention of information concerning Australians and that the minister must ensure that the privacy of Australians is preserved as far as is consistent with the agency’s proper performance. Those rules, like almost everything else about ASIS, are secret, and the Greens are therefore rightly sceptical about the extent to which they can offer the protection that they are designed to offer.

Has Minister Downer, for example, ensured that ASIS is prevented from placing Australians under surveillance in their homes, not only now but when they travel overseas? Is ASIS able to keep files on Australian residents? What protections are there for Australian businesses? We just do not know, because the information and guidelines are not in the public realm. All of my comments are based on the little information we do have in the public realm about the activities of ASIS.

But the very existence of section 15 of the Intelligence Services Act does reflect the public concern that exists about ASIS’s operations in relation to Australians on Australia soil. With that in mind, is it legitimate to give ASIS open access to AUSTRAC’s records and information? The Greens say no, and that is why I will move, when we get to the committee stage of this legislation and amendment, to remove this power from the bill.

No doubt the government will claim that there is sufficient accountability in place from the under-resourced, understaffed Inspector-General of Intelligence and Security. It will also say that ASIO already has this access, and that is absolutely correct. That is precisely the point. It is ASIO’s job to keep an eye on people in Australia; it is ASIS’s job to be our spy agency overseas. It is the AFP’s job to do the law enforcement, as the government points out in its publications. It is not ASIS’s job to do law enforcement. We have got a situation where ASIO and the AFP already have access to AUSTRAC. Law enforcement is the role of the AFP; it is explicitly outlined as not being the role of ASIS. Therefore people’s legitimate concerns, wanting to ensure that there are protections and that there is the capacity to scrutinise the financial transactions of Australians, are covered by the existing security organisations. The two I have mentioned out of 30 organisations that have access to the AUSTRAC information are covered by the existing legislation.

Why then should ASIS have access to the personal financial information of an enormous number of Australians and Australian businesses? It should be remembered that ASIS, as is proposed in this legislation, would have access to this information in secret. That is, any Australian or Australian business that had its privacy violated would not be informed about any violation of privacy. Their capacity, then, to complain to the Inspector-General of Intelligence and Security about any breaches of their privacy is at best a nice principle; it is unable to be put into practice because this legislation is specifically designed to allow these security agents in ASIS to have access to the information in secret—that is, without people knowing. They will not have the capacity to complain to the Inspector-General of Intelligence and Security because they will not know
what interaction security organisations have had with them and their information.

The Greens argue that ASIS does not need this power. It was not proposed in the original piece of legislation. There is no evidence that it was raised in the Senate inquiry into the original piece of legislation or in any subsequent public comments by the government about this particular aspect of the bill. There is no evidence that they have been calling out for access to this information prior to the enactment of the legislation last year, or indeed since then. But we have a situation where the government is coming to the Senate and asking us to approve this change, this additional organisation having access to AUSTRAC records, without a rationale being put forward. It is a fair enough question to say: ‘Where is your argument? Let’s hear it.’ And I certainly would be appreciative if we were able to hear from the minister about what the argument is, because it has not been made at all to date.

I want to talk briefly about the other aspects of the bill, because the Greens support all of the other aspects of this bill, such as the removal of absolute liability offences and the capacity to review certain decisions of the AUSTRAC CEO. We believe that all the other aspects, the technical amendments, which are rightly in the bill—although we argued for the strict liability offences earlier—will go some small way to addressing the concerns regarding the operation of this whole financial reporting regime, which has been widely criticised by both the finance industry and legal and community groups during the passage of the original piece of legislation.

It is worth reviewing some of those concerns, as they underpin the view that the Greens have that this latest extension of these laws to encompass ASIS is flawed. The Greens had a number of concerns, which I articulated previously, about the original anti-money laundering and counterterrorism financing laws that were passed in December of last year. I talked at the time about the way in which they radically changed the level and the sort of information that financial institutions were collecting on their customers and the manner in which this information would be used by national security agencies and police.

I think I described the legislation at that point as being designed to require banks to spy on their customers for the government. That was how it was being described at the time that the original piece of legislation was being dealt with. The Greens accept—and I said this at that time—that some information collected by financial institutions should be made available to government agencies when it relates to criminal behaviour, including terrorism and money laundering. But what we are dealing with here, with the extension to ASIS, does not relate to law enforcement in that area. The government has been quite clear and quite explicit in the little information it has provided about ASIS that it is not a law enforcement body; it does not have a policing role.

So the genuine issue that people want to ensure is not occurring—that is, the financing of terrorist organisations—is not within the purview of what we are told ASIS does. Of course, I am basing this on the limited information that is available—that is all we have got. Even in that, the government has been very explicit in saying that it is not a law enforcement agency, it is not involved in policing, it is not involved in spying on people in Australia; it is designed to spy on people overseas. The government has quite clearly defined the role that it has.

As I have said, we are quite happy to support sensible changes to the law to address the threat of terrorism, and we have done so.
As I have also said, we are happy to support the other aspects of this piece of legislation. It is just the extension to grant ASIS access to this information that we have concerns about. And we have not heard anything at all—from the government, from ASIS, in any Senate inquiry, in public debate—about why there is this requirement to list another organisation as a designated authority. There are already 30 there. They include ASIO and the AFP. Why ASIS? It is a simple question. I hope that the minister will be able to address it in his remarks.

When we were dealing with the original piece of legislation I talked about the way in which the existing terrorism laws have led to innocent people having their accounts frozen and how some communities who support independence movements overseas—for example, the Tamils or the Kurds—face criminalisation of their legitimate activities. At the time I went through a range of examples: people like the gentleman in Melbourne who owned a record store called Shining Path who had all of his assets frozen and was not able to get government agencies to allow him access to his legitimate business. It was a record store; it just happened to be called Shining Path. Because of the name, shared by a Peruvian group, his funds were frozen.

There was another example at the time that we last mentioned this legislation of an Iranian woman who runs a number of restaurants. She was transferring funds for dates or whatever she was getting in for her restaurants, and she talked about having been treated as a criminal and as though she were funding terrorism. They were legitimate business activities that had been occurring in an ongoing nature. Because of the way the legislation is designed—so that it is up to the banks to manage the risk—and in exempting the banks from anti-discrimination legislation, as was done in the original legislation, you create a situation in which it is quite legitimate for them to say: ‘You have got an ethnic name. You are sending money to Iran. We are going to freeze your assets.’

So you have this woman who is an Iranian restaurant owner trying to get her dates sent in having her assets frozen. I have raised many times, in this chamber and in other forums, the possibility of this occurring, and it is precisely what we have seen happen. The laws have enabled the two examples that I quoted at the time—the record store owner and the Iranian woman running a restaurant—to occur. These are criticisms I have raised before about how broad the definition of terrorism is and that it does allow innocent people to be caught in the web. And it does not allow us to focus on the efforts that everyone agrees that we need to be focusing on. When we throw the net too wide, these are the reasons why we create problems.

Former Justice Merkel put it very precisely when he said:
The move to granting ever-expanding coercive power to the executive arms of state and federal governments, to be exercised behind closed doors and without public scrutiny, carries with it grave risks to the democratic values we are trying to defend.

He went on to say:
One must have serious concern as to whether the political hierarchy is deserving of the kind of trust and integrity that the public are entitled to expect of them in administering that power.

The Greens say that the granting to ASIS the power to access Austrac’s financial information is too great a power to be exercised behind closed doors and away from scrutiny. It is far more than a mere technical change, despite the government’s claims. There is no clear need for this power, and the government has certainly not articulated one.

ASIO and the AFP can already do this. ASIS is the overseas spy agency. It is clear from its founding charter and its current leg-
islation that its job is to spy on overseas governments and groups, not on Australians. The Australian people have not been consulted about this change. There has not been sufficient public debate or scrutiny. The Greens will not support ASIS having these powers without such a debate. Therefore, I ask senators, when we get to the committee stage of this legislation, to support the Greens amendment to remove this change from the bill. If the government want to push ahead with this change, they can bring in specific legislation that relates to this when they have had the public debate and put forward the arguments and the reasons why this extension is needed. To date, they have failed to do so and, whilst we support the rest of this bill, we are not in a position to be able to support them on that aspect of it.

Senator IAN MACDONALD (Queensland) (9.06 pm)—I want to make a few comments on the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. Before I do, I want to take the opportunity to congratulate the new Minister for Justice and Customs, Senator Johnston. I do not think there is a more able and appropriate person to take on that role following Senator Ellison’s elevation into cabinet. I know Senator Johnston, with his background in law and as a very distinguished Western Australian, will carry out these very important duties as the justice and customs minister with great skill and style.

Justice and Customs is a portfolio where there is a considerable amount of activity in keeping Australia safe and keeping our citizens safe and secure both in Australia and overseas. Customs do a fabulous job. It is a very busy part of the portfolio for the minister. I know the minister, as a Western Australian, will relish the work of the Customs marine branch, with which I had quite a lot to do during my time as fisheries minister. The Customs marine branch do a fabulous job, and I know that Senator Johnston will take a very keen interest in the great work that they do, as well as the work that Customs generally do. They perform a fabulous job right around Australia and overseas. If you have been overseas and seen how Customs operates in any other country and then you have come back to Australia and seen what a tremendous job the Australian Customs people do for ordinary tourists coming in, you feel very proud to be Australian and to be part of a government that has built this culture within the Customs Service. While I am at it, I want to pay very high regard to the work of the former minister, Senator Ellison, with whom I have had a great many dealings in the past. Senator Ellison continued to perform his duties as the justice and customs minister in a particularly able way.

I just want to make a few comments. I did not come here to take issue with Senator Nettle on the Greens’ views of these issues, although—without wanting to get into the precise and particular debate—the Greens have strange views on many of the issues that most other Australians consider essential for our safety, welfare and security. I can refer to some of the things that Senator Nettle mentioned by reference to an issue I want to briefly raise in the Senate.

Earlier this year I was privileged to be part of a delegation of the Australian parliament to the Asia-Pacific Parliamentary Forum, which was held in Moscow. That forum consists of parliamentarians from the Asia-Pacific region. Should anyone be wondering why an Asia-Pacific forum would be held in Moscow, east Russia is on the Pacific, and it was suggested that Vladivostok would not have the facilities for the conference—hence we held it in freezing cold Moscow in the depths of winter.

One of the topics for discussion there was international terrorism and international
crime. It became very clear in talking to other parliamentarians from all of the countries in the Asia-Pacific region that one of the real problems confronting law enforcement and security agencies around the world was the transnational nature of crime and terrorism. Crime and terrorism only exist because they have the money to operate. Limiting the financing of terrorists and terrorism organisations and of organised crime gangs depends on trying to cut off the money supply to these organisations. The committee which I chair, the Parliamentary Joint Committee on the Australian Crime Commission, has just completed an inquiry into amphetamines and other synthetic drugs. In the course of that inquiry as well it became known to those on the committee that drugs were a major source of financing for international crime and international terrorism.

Senator Nettle asks: why is ASIS involved? I thought the second reading speech made it very clear, and I am sure the minister will also address the issue in his summing up. One of the purposes of the legislation is to allow the Director-General of ASIS to communicate AUSTRAC information to foreign intelligence agencies and agencies right around the world that are concerned with the international trafficking of money, and the arms and drugs that money can buy. They need a bit of coordination.

One thing that came out of my committee’s inquiry was the ridiculous situation in Australia where we have seven different states and territories, each with different laws and boundaries, and all the law enforcement agencies of those states and territories, and indeed the Commonwealth, have to abide by the laws that apply within these artificial lines on a map, and yet the criminals have no such constraint. The criminals can slip across the borders and conduct criminal activities in any state or in more than one state. It is very difficult for the law enforcement agencies to get criminals in one state, because they might have done some things in other states. I was appalled to hear of the difficulties the law enforcement agencies had because of the different styles of legislation in each state, the different nuances of the criminal enforcement activities and the different way courts in each state interpret the law. We give a free kick to organised crime within Australia by not having laws that are uniformly applied.

I know a lot of work has been done. Congratulations to Senator Ellison for bringing the states’ police ministers together to try and do something about that; I know a lot of good work has been done. But it seems inconceivable to me that in this day and age the states would still jealously guard particular criminal laws that are different from those of other states not five kilometres across the border, so to speak. The sooner we can take a national approach—certainly we do to money laundering—to the laws that currently constrain our law enforcement agencies, the better Australia will be. More directly aligned to this bill, we need to have that same flexibility in sharing information with agencies around the world which are, as our agencies are, engaged in the fight against terrorism and organised crime.

I think this bill before the Senate tonight attempts to make it easier for the law enforcement agencies around Australia to deal with terrorism and organised crime. It is part of an ongoing approach by the Howard government to try and ensure the safety and security of all Australians by acting in a way favourable to the law enforcement agencies not only in Australia but overseas where that overseas activity impacts on the security and safety of Australians. I commend the bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Before you rise to speak,
Minister Johnston, I also congratulate you from the chair on your elevation to the ministry. It is very well deserved after all your hard work in the parliament since your entry.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (9.18 pm)—Thank you, Madam Acting Deputy President, for those very kind words. In summing up this second reading debate, I want to take up a few points before I generalise about this important bill. This is a very complex matrix of terms, provisions, clauses and approaches to what is a very versatile, robust, innovative financial system in Australia. We have some of the world’s most efficient financial agencies in the nature of banks, building societies and other financial institutions that are continually evolving modes and methods of dealing with large sums of money and moving them around the country. The object of this legislation is to accurately obtain data and analysis of what is happening with those large sums of money being moved around. We have the amendment bill of 2006 and the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. The amendment bill of 2007, of course, is largely only technical in nature and has for some time been foreshadowed.

Senator Ludwig made some points with respect to the amending regulations regarding clause 6.7. The reason the legislation has what is called a Henry VIII clause is because the financial institutions which I have spoken of have disclosed a capacity to make ready and quick alterations to their processes such that they can avoid the provisions of legislation of this place. I point to cash management trusts as being a very real example of what evolved in response to previous legislative requirements and frameworks. That is not to suggest they are doing anything wrong; they simply order their affairs in an expeditious and convenient way to include a minimal amount of reporting and inconvenience. That is their wont and that is what they are very likely to do. Having the provisions as we do enables us to respond quickly to close off that avenue before a hole in the database collection methodology occurs.

Senator Ludwig also raised the Department of State’s International Narcotics Control Strategy Report. I want to make the point that all of what he said was, with some great respect to him, misconceived. The report assesses the level of risk of money laundering rather than the effectiveness of the country’s response. Given that we are a sovereign nation with a high-valued currency and a reliable reporting and electronic transfer system, the risk underlying money laundering in this country is very high. That is the point the report makes—and I think the report well makes the point. The onus upon the legislators, namely the government, is to make sure that we provide a robust, foolproof, reliable system of keeping track of what is going on with respect to the movement of large sums of money.

Turning to summarising where we are with respect to this legislation, the reforms implemented by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Anti-Money Laundering and Counter-Terrorism Financing (Transitional Provisions and Consequential Amendments) Act 2006 strike an important and appropriate balance between the government’s law enforcement and national security objectives on the one hand, which are of course a very important priority for this government, and the needs and operational reality for business on the other as well as the need to maintain a relatively low-cost, viable, workable regime for financial institutions.

This amendment bill should come as no surprise. In the speech and reply during the debate on those bills in December 2006, my
friend and colleague Senator Ellison—and, of course, I endorse the remarks of Senator Ian Macdonald, as Senator Ellison did a magnificent job in the position that I now occupy—foreshadowed that he would introduce a technical amendments bill in the 2007 autumn parliamentary sittings to address the recommendations of the Senate Standing Committee for the Scrutiny of Bills and the Senate Standing Committee on Legal and Constitutional Affairs. This course was adopted, as the recommendations of those committees were made only a short time before the second reading debate in the Senate.

Amendments caused by the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007 address some of those issues raised by these committees as well as some other relatively minor technical matters. I emphasise that this is a technical matrix of provisions that has been very carefully and thoroughly reviewed.

The opposition know the importance of the anti-money laundering legislative package in the fight against money laundering and the financing of terrorism. The opposition have acknowledged the significance of the legislation and, in debate in the House of Representatives on this amendment bill, supported amendments such as the one that will allow ASIS access to AUSTRAC information. In spite of their general agreement on the policy, the opposition have chosen to use this debate to reiterate the same criticisms raised in the debates on the Anti-Money Laundering and Counter-Terrorism Financing Bill 2006. In fact, in the House of Representatives debate on 28 February this year, the notice of motion for the amendment bill, moved by the honourable member for Brisbane, Mr Bevis, was effectively the same as the notice of motion he moved during the debate on the Anti-Money Laundering and Counter-Terrorism Financing Bill in the House of Representatives on 28 November 2006.

The opposition alleges on the one hand that the process has been too slow and in the next breath that there was not enough consultation. The facts are that the government has undertaken extensive consultation, and this process has taken time. Indeed the bill and the committee’s report acknowledge the inordinate amount of consultation because, effectively, this legislation does require a substantial degree of cooperation from financial institutions. That is not to say that it does not have enforcement provisions, but the best way to go with legislation such as this—and I am sure Senator Ludwig understands this—is to have a degree of cooperation from financial institutions.

I reject the suggestion that the government has taken too long to implement the recommendations of the Financial Action Task Force on Money Laundering. These important reforms respond to increased and more sophisticated criminal and terrorist activity across a wide range of sectors delivering complex products and services. The need for thorough deliberation of these issues can be illustrated by the progress of the Financial Action Task Force on Money Laundering. Following its adoption of the revised 40 recommendations in June 2003 and the finalisation of the nine special recommendations on terrorist financing in October 2004, the FATF has moved carefully to develop interpretative notes and guidelines. The last of these interpretative notes was released in February 2006.

Given the importance and the complexity of the issues involved, the government has moved with appropriate speed to introduce comprehensive, well thought out legislation. I do emphasise that it is comprehensive and it is complex. The breadth and responsiveness of the consultation process has been
widely acknowledged and applauded by affected businesses. The Senate Standing Committee on Legal and Constitutional Affairs has also acknowledged these consultation efforts. The government does not apologise for the time spent in achieving this balance and limiting the burden on Australian business. This has been time well spent. The ultimate objective will be one that hopefully generations in Australia will appreciate as we continue to maintain a very strong fight against money laundering and terrorism financing.

An important element in the success of the fight against money laundering and terrorism financing is the collaborative approach between government and business stakeholders. I thank industry for their contributions throughout the consultation process on this bill and on the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This cooperation continues as various obligations of the act are implemented and various rules under the act are finalised. The financial and gaming sectors are to be commended for their commitment to the important goal of fortifying the Australian financial sector against money launderers and those who would seek to use the Australian financial sector to fund terrorism. As I have said, it is a very internationally renowned reliable sector that provides high-value currency and efficiency. Accordingly, we must make it robust against the threat of money laundering and terrorism financing.

I thank the Senate Standing Committee on the Scrutiny of Bills and the Senate Standing Committee on Legal and Constitutional Affairs. The work of these committees was carefully considered when preparing the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. I have pleasure in commending this bill to the Senate.

Debate (on motion by Senator Johnston) adjourned.

NATIVE TITLE AMENDMENT BILL 2006

Second Reading

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

That this bill be now read a second time.

Senator LUDWIG (Queensland) (9.26 pm)—I rise to speak on the Native Title Amendment Bill 2006. Labor want to see native title claims resolved quickly, effectively and fairly. This is manifestly in the interests of all parties, and we support reasonable and effective measures to assist this. Unfortunately it has not been happening. The current situation is far from adequate. While 91 claims have been resolved, more than 600 remain unresolved. Claims are taking, on average, six years to resolve. All sides to this debate can agree that this is an unsatisfactory situation and in need of improvement. The question remains as to whether this legislation before the Senate contributes towards the goal of improving both the effectiveness and efficiency of this legislation—that is, will the Native Title Amendment Bill 2006 make a difference? It is my concern that this bill will generate uncertainty for native title claims and for development. It will undermine the capacity of native title representative bodies to represent Indigenous interests.

The primary purpose of this bill is to amend the Native Title Act to implement aspects of four of the six elements of that package. The bill is expressed in terms of four schedules. I will turn to each of those schedules and make some observations about each of them. Before I start that, I foreshadow that Labor will move substantial amendments to the bill to seek to fix it. Our opposition to schedules 1 and 2 of the bill reflects the widespread views of stakeholders. The native title representative bodies...
unanimously oppose the bill. The Federal Court has expressed serious concerns with substantial portions of the bill. The Aboriginal and Torres Strait Islander Social Justice Commissioner rejects most of it, and the Western Australian state government and mineral councils have also expressed concern. I foreshadow that Labor will move amendments in opposition to schedules 1 and 2.

Turning to the committee report, while I respect the work of the committee on this bill, as noted in the minority report the report does not go nearly far enough in relation to a number of fundamentally flawed areas in the bill. I will touch upon each of those in a moment, but the problem goes to the very heart of the bill. This bill is, as it stands, a seriously flawed piece of legislation. It will not reduce red tape and it will not save taxpayers money. It will instead continue the uncertainty and delay that plague both industry and the Indigenous community. If anything, the changes being introduced will exacerbate the problems that currently exist.

I turn to schedule 1. At the heart of the first schedule are very substantial alterations to the operation of native title representative bodies, or NTRBs. The bill makes a range of modifications to the regime under which they operate and the regime under which they are recognised. The current scheme of recognition works this way: once an Aboriginal and Torres Strait Islander organisation is recognised as an NTRB, it remains recognised until it ceases to exist. The body requests withdrawal or the minister withdraws recognition, which the minister may do upon satisfaction of certain legislative criteria. Schedule 1 will alter the scheme in a number of ways, and I want to touch upon a couple of major ways in which it alters the scheme. First is the introduction of periodic terms applying to the recognised status of NTRBs, with those periods to range between one and six years. Second, the first schedule also broadens those native title service providers which can be recognised. This broadening could easily lead to the government performing an open tender and bringing in non-Indigenous law firms. It was indicated in a briefing to my colleague Mr Kelvin Thomson, the former shadow Attorney-General, that this is not the government’s intention. Nonetheless, that is the way the legislation is drafted, and it leaves the door open for the future. Third, the changes in the first schedule would reduce the amount of notice of closure the minister is required to give an NTRB from 90 days to 60 days. Fourth, the changes would allow for the minister to unilaterally alter the areas of the representative bodies. Finally, the changes in schedule 1 would remove the requirement that NTRBs present annual reports to parliament.

There are also changes in relation to the use of legislative instruments in relation to recognition and withdrawal of recognition. I will turn to those changes in a moment, but I also want to comment on schedule 2. Schedule 2 acts primarily to expand the power and role of the National Native Title Tribunal. This feeds off concerns expressed by stakeholders about the role of the tribunal being slow and overly bureaucratic. I will come back to this.

I can perhaps deal with schedules 3 and 4 quickly. I note that both of these schedules appear, in my view, to be largely uncontroversial and can be supported. Schedule 3 deals with prescribed body corporate amendments and schedule 4 contains provisions for assistance for nonclaimants and other measures designed to encourage negotiation over litigation. They can be supported for that aim.

Coming back to schedule 1, Labor has a range of concerns with this schedule, and in the time available it is necessary to deal at
some length with those changes. Firstly, as I noted above, one area of concern has been the length of time for which a representative body is recognised. The proposed bill provides that the period of recognition for a representative body would be between one and six years. Discretion would be given to the minister to stipulate a period of recognition between one and six years for each body.

These changes are unnecessary and will introduce uncertainty into the process. This is not only said by Labor; it is criticism which has been levelled at the legislation by a range of bodies. The Minerals Council of Australia, for instance, proposed that the period of recognition be raised to at least three years. Others have also commented on this issue, arguing that it is impractical from the point of view of capacity building, corporate knowledge and long-term planning. Clearly, there is still significant argument about how beneficial this provision would be. It is still being argued about whether two years should be a minimum or whether capacity building, corporate knowledge and long-term planning can be undertaken if periods less than that which is otherwise provided for in the legislation are granted to the minister to use at their discretion.

The point we have now reached is where the government is seeking to broaden the ability of the minister to have discretion on those points. But is that going to be beneficial? The people within industry do not see that. The National Native Title Council also outlined a range of similar concerns. It is already the case that the minister is able to draw status recognition if a body is underperforming. Periodic terms of recognition will destabilise negotiations with third parties and create uncertainty around developmental proposals, discourage already fragile staff tenure and the build-up of corporate knowledge, inhibit strategic business planning and the liquidity of these organisations, and probably increase infrastructure costs so that they cannot be spread out over the period. One-year periodic terms are inconsistent with the spirit of reducing red tape. I also note that these organisations are representative institutions; they ought to be improved in quality and capacity rather than disbanded.

The Senate committee examined this issue and came to the conclusion that the proposal for the terms of recognition would militate against the effectiveness of the NTRBs. The government’s legislation would make the NTRBs less, not more, effective. The Senate committee recommended that the minimum term be increased to two years. This is not sufficient. The length of recognition is a serious problem with the bill, and it will not be solved by the minor tweaking recommended by the report. This section is not conducive to the effective operation of NTRBs. It will not allow long-term planning and the accumulation of corporate knowledge. It is clearly unnecessary and it does not fulfil the central requirement of keeping red tape to a minimum and keeping the waste of taxpayers’ funding to a minimum—if there is at all to be waste.

Another area which I touched upon was the process of derecognition, the use of legislative instruments to accomplish that, and the limiting of the time frame in which NTRBs are entitled to respond to a withdrawal notice. The standard time frame in which representative bodies are required to respond to such a notice has been shortened from 90 days to 60 days, and the references in the current act to the need for a representative body to satisfactorily represent the native title holders and consult effectively with Aboriginal and Torres Strait Islander people have generally been abandoned in favour of a shorter formulation focusing on whether the representative body is satisfactorily performing its functions. The practical effect of
this is that there will be very little time in which an NTRB has to consult and formulate a response to the notice as the period of time has been reduced. Again, this will not assist in the provision of effective administration of these bodies. In fact, it is more likely to do the opposite.

The next area of concern is the fact that the minister is able, after due consultation and consideration—whatever that might mean—to unilaterally extend or vary the area of a representative body. While the minister is required to consult before making these changes, there is no requirement that the views of the relevant representative bodies be a concluding feature of the matter, which is also the subject of some controversy. The changes that would allow the unilateral variation of the area of representative bodies was vigorously opposed by a range of submissions, as noted in the committee report. Firstly, I note the opposition of the Aboriginal and Torres Strait Islander Social Justice Commissioner on this point, with the committee report indicating that the commissioner opposed these amendments and suggested that the criteria of effective consultation and satisfactory representation should be retained. Similarly, the Native Title Tribunal Council pointed out that the boundaries reflected cultural groupings rather than being an administrative convenience.

In summing up, I would also like to refer back to other problems with the schedule that Labor raised tonight, including that it is possible for non-Indigenous organisations to become NTRBs and that the annual reports will no longer need to be tabled in parliament. As I indicated earlier, the National Native Title Tribunal, the NNTT, is to be given new significant powers. The powers are contained in schedule 2 of the bill. This schedule would disallow the Federal Court to conduct mediation at the same time as the NNTT. The bill also gives three new powers to the NNTT: the power to make reports to certain persons regarding the failure by a party to act in good faith in mediation; the power to issue directions to parties to attend mediation or produce documents; and the power to conduct inquiries regarding a group’s connection to the area claimed.

Labor has concerns about whether these changes are going to help matters and result in the swifter and more efficient resolution of claims or whether they will result in more uncertainty and more delays. The minority report of the Senate committee noted:

During the inquiry, significant concerns were expressed about the expansion of the NNTT’s powers, particularly as most stakeholders do not have confidence in the NNTT’s capacity or expertise to conduct effective mediation.

The minority report went on to note that NRTBs unanimously rejected the expansion of the mediator functions.

Further, the proposed bill would empower the NNTT to make reports about breaches of the good faith requirement to certain entities and to include details of alleged breaches by government parties in its annual report. It seems that there is no requirement under the legislation for the tribunal to advise and/or seek the views of parties considered to be in breach before the tribunal reports or publishes details of any alleged breach. It is recommended that the proposed provisions be amended to require the presiding NNTT member to advise a party if he or she considers they are not acting in good faith and give that party an opportunity to respond.

Further in relation to schedule 2 is the question of the power to investigate the connection that a group has to the area claimed. The Office of Native Title in Western Australia has stated:

The proposed amendments ... have the potential to undermine State and Territory government connection assessment processes, cause further
delays in the resolution of native title claims and place increased pressure on an already limited pool of experts in the system.

It is understood that the main intent of the provisions is to facilitate the agreement of non-government third parties to proposed consent determinations where they are reluctant to accept the relevant state or territory government’s assessment that connection is met.

Despite participation in the proposed NNTT connection reviews being voluntary, native title parties could nevertheless use the provisions as a means of forum shopping if the state government considers that connection is not met, potentially undermining the transparent processes of state governments, such as those that Western Australia undertake. In addition, if claimants seek an NNTT review following a decision of the relevant government that connection is not satisfied, the resolution of the claim, whether by an agreed or litigated outcome that native title does not exist, will also be further delayed.

These amendments also anticipate that the NNTT will rely on consultants to conduct a review, which could further increase demand on an already limited pool of qualified experts, such as anthropologists. The Commonwealth Attorney-General’s recent comments acknowledge that the current shortage of anthropologists in the native title system is contributing to the delay in resolving native title claims. If the NNTT also seeks to rely on anthropologists in undertaking reviews of connection, the demands on anthropologists and the associated delay in resolving claims would be more than likely to increase. As I said earlier, schedules 3 and 4 are not controversial, and Labor does not oppose them.

In conclusion, Labor believes that the bill is ill-conceived and poorly drafted. It fundamentally fails to address the problems of the native title system; it will instead have the effect of exacerbating them even further.

Senator BARTLETT (Queensland) (9.45 pm)—I speak on behalf of the Democrats on this legislation amending the native title law of Australia. It is, as has been detailed by Senator Ludwig, relatively complex in some aspects; it is, of course, a complex act. It is interesting to compare the focus and attention on the Native Title Amendment Bill 2006 now to the attention focused on amendments to the Native Title Act nine years ago in mid-1998 or, indeed, that focused on the debate that put in place the original Native Title Act a few years before that.

In some ways, it shows that the way native title has developed has been quite different from a lot of the frenzied concerns of the era, but it also shows some of the missed opportunities that have occurred over that period of time. Thinking back to the atmosphere at the time some of the major amendments were made in 1998, it seems almost bizarre that, another eight or so years later, these reasonably significant amendments to the Native Title Act are attracting so little attention and controversy in the wider community and indeed, to some extent, relatively moderate engagement from members of Indigenous communities around Australia. I think there are a range of different reasons for that which I will not go into now.

Before addressing the specifics of the bill, I think it is appropriate to start out by expressing my dismay at the way this parliament and previous parliaments and governments around the country have mishandled native title as an issue, both in terms of the content of the law and in presenting, explaining and promoting it or otherwise to the public. We have collectively squandered many opportunities that were presented by the historic High Court decisions in the Mabo and
Wik cases. Those were opportunities not just for Aboriginal and Torres Strait Islander people but also for the entire Australian community. Many of those opportunities have, I fear, been lost—but not all. Whilst there have certainly been some positives to come out of native title law and native title decisions, there is still more potential there that will not be realised without positive and proactive action.

Given all of the drama of years gone by, it is curious that, when people talk about native title law now, the context and nature of the discussion is often about the nitty-gritty and the arcane aspects of the legal processes: the tribunal processes, representative bodies, prescribed bodies corporate and all of these sorts of things. It is presented as something complex, which it is; onerous, which it often is; and grinding, which it often is. It is generally seen as something difficult, painful, arduous, expensive, a lot of hassle and fairly traumatic—sometimes people wonder whether it is really worth all the bother. It is really quite sad to think of that being the way a lot of people perceive and engage with the native title system compared with the opportunities and dreams first presented by those High Court decisions and the original piece of legislation passed by this chamber back in 1993.

It is appropriate to remind ourselves of what native title actually represents as a concept and as a reality—not the Native Title Act per se, but native title and the existence of it. It represents the burying of the lie of terra nullius—the lie that Australia was an unoccupied land that could just be moved into and that the people who had lived here for millennia before that had no claim to it and no need for recognition. It also represents recognition of the fact that much of the cultures of Australia’s Indigenous peoples are still alive and of great value, meaning and significance. For that very reason, it presents still a golden opportunity for all Australians to recognise the extraordinary heritage we are privileged to have a connection to as residents of this continent. Indeed, I believe that, in many ways, native title presents as much as an opportunity for non-Indigenous Australians as it does for Australians with Indigenous heritage and ancestry. But it is an opportunity and potential that, on the whole, has not been realised and grasped. It is imperative that we revisit and remember the spirit of those early years of native title. We must continue to work to change attitudes and to make people recognise that those opportunities are still there but they need to be grasped—they will not just occur as a result of this grinding legalistic process that is represented by the act as it now operates.

Native title was represented by many in the community—including by some who knew that the reality was otherwise—as a major threat to many aspects of Australia’s society and economy. It is often still seen and sometimes still presented as a threat, despite all of the evidence to the contrary. At best, it is seen as a grinding hassle or a grudging paper recognition. But it is more than that, it has been more than that and it deserves to be far more than that again. That requires a change in attitude and a change in approach, and I am afraid that by and large this legislation before us does not provide that. There have been positive exceptions. There have been a number of very important claims that have been recognised. While the reality is that native title in the sense of land title is very much a residual right that does not present economic windfalls, it has been a vehicle for beneficial outcomes for some Indigenous peoples and communities in various parts of Australia and it presents opportunities on top of that.

A number of positive Indigenous land use agreements have come out in various ways as consequences of the existing process.
There have also been some quite poor ones, of course. We have recently had the very positive example of the recognition of the claim of the Githabul people in the far north of northern New South Wales. In itself, the recognition of that native title does not instantly bring with it enormous amounts of money, but it brings with it potential for the future in that regard. Most importantly, it brings clear, unequivocal, official, formal recognition under the laws of Australia of a continuing ongoing connection to the land of Indigenous peoples which stretches back tens of thousands of years. Frankly, to me it is not just very important for those people whose connections to land have been recognised but very important for Australia as a whole to be able to say that we as a nation have part of our people those who have that connection—the oldest continuing living culture in the world today. Those are words that I hear now and then around the place. I do not think that the significance of them sinks in terribly often for Australians, but it is about time they did. That is an enormous and very valuable claim that we can make. It is one for all Australians, not just Indigenous ones, to celebrate and to make use of.

While there have been some positive exceptions, there has also been a lot of disappointment. Just on the other side of the border in the south-east corner of my own state of Queensland, that very same claim from the Githabul people has yet to be progressed and recognised. The border has no meaning for the Githabul people in terms of their traditional connection to land. Other longstanding attempts to get native title recognised in parts of the Gold Coast have made little progress. Indeed, the Quandamooka claim over Stradbroke Island just to the east of Brisbane, which showed such great potential that I recall making special mention of it in my first speech in this place nearly 10 years ago, has been largely frustrated since that time for a whole range of reasons. The missed opportunities there are very disappointing. While they still present themselves in some ways, the lost opportunities, the lost time and the trauma that has been involved in trying to reach resolutions in that regard have been very disappointing. I am not sheeting home all blame to governments, state and federal, but we all know how important leadership can be. If we had had strong, positive, consistent leadership from state governments then we would have advanced much further.

It has been interesting to see the shifts in some attitudes that have occurred. Indeed, in the Senate inquiry into this legislation, evidence that was presented from the Minerals Council of Australia and the Queensland Resources Council was supportive of giving more resources, more assistance and more capacity building to native title representative bodies and Indigenous people working within them. There has been a real shift forward by many—not all—mineral companies and mining bodies compared to 10 years ago, so there are opportunities there.

I believe that, through the processes that have led to this legislation, there have been some genuine attempts to try and improve some of the ways in which things operate at the moment. There is a lot of red tape and lots of starts, stops and expense. But I would have to say that the evidence presented to the Senate committee by those people who engage with this process and have a pretty good idea of what will work and what is not working was not very positive. It was not very positive about more power going to the tribunal; it was not very positive about some of the other mechanisms that are being put forward here. Frankly, while the committee made 10 recommendations that I hope the government picks up, I do not think that they go far enough to address the genuine concerns that were put forward. These were concerns put forward totally outside the context
and the paradigm of the ideological battles of the past. They were simply put forward in the context of making this work better.

People recognise and accept native title now. You would not know it sometimes from some of the controversies that appear in the media every time that there is the prospect of a successful claim, such as the Nyungar claim in Western Australia, but there is an acceptance of it among many who work with native title, and people just want to make it work better. Aspects of this legislation may do that, but a lot of those people who work on this on a daily basis and who presented information to the inquiry suggest that aspects of it may, if anything, make it worse.

The Democrats have a number of amendments regarding that, which we will talk to when we get to the committee stage of this debate towards the end of this week. I hope that the government is open to some of those, because, regardless of the past history in this area, there is a genuine desire for the whole native title process to work better. It has achieved some positive outcomes, as I said. But the potential that was presented there initially has on the whole not been realised, and that is a real missed opportunity. A lot of that potential still exists, and I believe that we need to redouble our efforts not just in improving the law but in improving the capacity of and opportunities for Indigenous people—both through representative bodies and other organisations—to engage with this process and make it work better. We also have a responsibility to make the Australian community aware of the positive opportunities that native title presents.

Debate interrupted.

Ministerial Responsibility

Senator SANTORO (Queensland) (10.00 pm)—I stand here tonight with a heavy heart to address an institution that I hold most dear. By now, honourable senators are well aware of my transgressions of Senate reporting requirements which have led to my resignation from the Howard government’s ministry and which I am taking this first opportunity to confirm in the appropriate forum. Last Friday I corrected the Register of Senators’ Interests to include several dozen omissions from my assets holdings which should have been included both prior to and during my time as Minister for Ageing.

I am now confident that the register accurately reflects all of my assets both leading up to and during my time as minister and that my current statement is utterly complete. I am also currently in the process of engaging an independent auditor to scour my and my family’s records over the years since my appointment to the Senate to ensure that I am able to assure the Senate of a complete historical record of our assets.

Tonight I want to deliver the following assurances: despite some of the more convoluted allegations to which I have recently been subject, I can proudly assert that I have at no time acted with dishonesty, deceit or deliberate intent to withhold information from the Senate. Further to this, I can assure honourable senators that I have at no time held assets which have provided a conflict of interest in my role either as a minister or as a senator. This question will be put before the independent auditor, and I trust it will satisfy the curiosity and fears of my fellow senators. Nonetheless, I am aware that my omissions, which are purely the product of poor attention to compliance, have let down the government, my party and the reputation of the Senate. Consequently, I wish to unreservedly apologise to the Senate.
I hope my colleagues here will come to recognise this episode as a tragic blemish on an otherwise careful and committed parliamentary career during which I have held both the parliaments in which I have served in the public interest, which they represent, in the highest esteem. I believe everyone here is aware that my regard for the institutions of this nation lies at the centre of my political beliefs, and I have sought since I first became involved in politics to serve and to honour them. In this case I have, through my own fault, failed that goal. Once again, I apologise for that failure.

I am also most distressed that my failure to comply with reporting requirements has represented a distraction from the achievements of the Howard government. I am glad to be able to say that I have served as a minister in this government and that I can also count the Prime Minister as one of my oldest and dearest friends. Nonetheless, it is part of the current political environment where scrutiny is applied in only one direction and where we have reached an unprecedented double standard that my continued presence here presents an excuse for that double standard to be played out in the nation’s papers on a daily basis. So I have advised the Prime Minister tonight, and I here wish to advise the Senate, that I will shortly resign from this august institution. I will make that advice formal at the close of this current two-week sittings, giving both the Queensland Liberal Party and the Queensland parliament time to appoint my replacement before the Commonwealth parliament again meets.

I began tonight by saying that I stand here with a heavy heart. I am pleased to say that one thing which has lightened my mood over recent days is the remarkable gift of friendship. I would like to pay tribute to my family, colleagues and staff who have supported me and encouraged me to fight on. It is their support and friendship which makes this choice so difficult and so necessary. I look forward to the next two weeks. I look forward to advising the parliament once the audit of my records is complete, and I look forward to the re-election of this government.

Zimbabwe

Senator MOORE (Queensland) (10.04 pm)—Last week’s international media carried reports about the increasing violence that has now become public in Zimbabwe. It is impressive that we are able to have that media coverage of this violence because, at best, there has been sporadic coverage and information about what has been going on in that country. It is no surprise to many of us that there is continuing violence in Zimbabwe. I want to quote from an ABC interview that was done in March 2002, just after the last round of elections which led to the re-election, we believe, of the current leader of Zimbabwe, Mr Mugabe. At that time, after speaking with Morgan Tsvangirai from the opposition party in Zimbabwe, and also with Alexander Downer in his position as Minister for Foreign Affairs in this country, the ABC reporter Sally Sara said:

Zimbabwe’s political turmoil is now entering a dangerous new phase.

But the end of the election is unlikely to bring an end to the intimidation and violence. That interview was in March 2002. It is now March 2007, and we know that those words are in fact true. I have been very fortunate to meet a number of people from Zimbabwe over the last few years. Tonight I want to put on record my deep respect and admiration for so many of them, in particular, my friend Sekai Holland, who I believe is still in Zimbabwe. She was stopped again from leaving Zimbabwe while attempting to get medical help for injuries that she suffered at the hands of rioters when attending a rally last week. I am not quite sure whether Sekai
would be happy at the various descriptions of her in the last couple of weeks as an ‘elderly woman’ and ‘a grandmother’. In fact, she is a grandmother, but I do not know whether she is too happy about being described in that way. As has been pointed out, in a community and a society where elders are venerated, the fact that one of the key victims of the recent public violence is an older woman of a particularly impressive family and a sitting MP of the country in many ways reflects just how off the rails that particular government is and how violence has degenerated in Zimbabwe.

I reiterate: this is no surprise. I have been deeply impressed by comments made by foreign minister Alexander Downer and by the Leader of the Opposition, Kevin Rudd. They acknowledge the thuggery of the Zimbabwean government, that we as a country must play a role in the international reaction to the lack of appropriate rule and the total dismissal of any concept of effective democracy in that country and that we as an international community must make a stand. How we do that exactly is uncertain, because we know that there are limited avenues. Minimal restrictions have already been placed on the country. We are working through the UN process, and I am hoping that we will be able to look to the International Court of Justice for some international focus on the activities of the Zimbabwean government. It is important that we as a community accept that we can at least raise our voices.

The people in Zimbabwe, a country that was acknowledged as one of the most rich and beautiful in Africa, are suffering horrific conditions. We know that, in terms of its economy, there has been a virtual collapse of the agricultural sector and that real gross domestic product has declined by 30 per cent in the last five years. The latest inflation rate figure is over 1,590 per cent. I cannot even begin to understand those figures. What the inflation rate means in practical terms—and this is an example that Sekai talks about—is that on the black market a bottle of milk to feed your family can cost 10,000 Zimbabwean dollars one day and up to 17,000 Zimbabwean dollars the next day. Many people in Zimbabwe are starving at the moment; they cannot afford to eat. The unemployment rate is so high that people have stopped collecting the figures.

This, I repeat, is a country that was once known as one of the most rich and successful countries in the region and where there was great hope. When independence was declared in Zimbabwe, there was international celebration that people would be able to move forward into a new world. That hope has been dashed and what has occurred in Zimbabwe over the last 10 years is a shame to all of us.

There is a feeling that in some way the international press has not been able to cover the situation in Zimbabwe. Australian journalists were kept out of Zimbabwe during the country’s 2003 elections. As recently as yesterday, the leadership of Zimbabwe was again threatening to expel journalists or anyone from other countries who questioned what was going on there. The Mugabe government does not want people to know what is happening inside the country.

The leaders of the country continue to travel internationally—although not here because of sanctions that have been imposed—and to enjoy a very exotic lifestyle while their people at home are starving. Last week we saw the incredible violence—the bashings, people being taken to hospital or imprisoned without trial—in Zimbabwe and that there is no such thing as an effective justice system there.

As a community we can do things to make these issues public and to show our support for the people in Zimbabwe. We can work
through organisations like Amnesty International, which maintains a watch over that country. My close friend Dave Copeman, who is now working in the Amnesty International network in East Africa, has close links with Zimbabwe—he worked there during the period leading up to the last elections. He continues to email information to let people know exactly what is happening to friends, comrades and family members who are still in Zimbabwe. That is the kind of international communication that the current Zimbabwean government would like to cease. In fact, it calls people who do that traitorous. That is not traitorous; that is freedom of the press. It is quite clear that we need to know what is going on.

I have been impressed by the amount of information coming out of the country—I think mainly through the operation of the internet. There are a significant number of people from Zimbabwe who are living in Australia and who maintain communication with people there through the internet. Many of us cannot believe the stories that are coming out of that country, because we are offended by the level of violence and the absolute betrayal of people’s freedoms that is occurring there.

Sekai has come to Australia many times. She was a significant activist here during the sixties when she was a student and she has many friends and comrades still in the country. I was very pleased to hear the public statement last week by Aboriginal leaders. Sekai was active in the sixties and the seventies in Aboriginal land rights and other Aboriginal activities.

The leadership in Zimbabwe has misrepresented what has been going on in the country with claims that any condemnation of what they are doing is part of white racism focusing on what is going on in a black nation. So it was particularly heartening to see that a group of Indigenous Australians, who knew Sekai or at least knew of her, made public on 18 March this year their opposition to what is going on in Zimbabwe. Gary Foley, whom some of us know quite well and who has a way with the Australian language, said:

It is particularly ironic that the ANC government of South Africa seems to be propping up the Mugabe regime at a time when the Zimbabwe government is brutalising a grandmother—that is Sekai—who once stood beside Australian Aboriginal activists to fight against South African apartheid.

He went on to say:

Mr Mugabe has dismissed criticism from the West as ‘just white racists’. Well, it is time for Mugabe and his thugs to realise that there are black people in the West who also condemn his action. Fascism is fascism whether its face is white or black.

I think that is a particularly important message for solidarity across the country.

My thoughts are with Sekai and her family and also with the many other families who are caught up in the horror that is now going on in Zimbabwe. We can continue to work with the Australian government to ensure that we keep our voices strong at the UN. I think we can do that, but we have a message for those people in Zimbabwe: we have not forgotten them. We will continue to listen to their call for help. Their cry for democracy is one that we share.

**Housing Affordability**

**Senator BARTLETT** (Queensland) (10.15 pm)—I rise tonight to once again draw attention to the major crisis in many Australian towns and cities in the area of housing affordability. It is an issue that I have raised a number of times over the years. It is very disheartening that there is a continuing need to raise it, not just because the issue still exists but also because there has
been next to nothing done to try to address it over those years despite the obvious reality that it presents. Time and again calls have been made by me, other Democrats and many others in the community—people across the political spectrum who engage with the housing sector and industry—about the reality of housing on the ground. We have called, time and time again, for a national approach, a national housing strategy and a national housing agenda to tackle the crisis of housing affordability.

We have had summits held in this Parliament House, in Canberra and in other parts of Australia year after year. Bodies such as the various councils of social services; National Shelter and the various state based shelters; other community housing organisations; the Housing Industry Association; people involved in the real estate industry; the Property Council; urban development groups plus trade unions, the ACTU and the CFMEU; and the Australian Local Government Association all agree—despite having different ideas about what needs to be done—that until we can get a clear national strategy, and until we can get a focus put on analysing all of the data and the reality of what is happening now, we will never get clear agreement about where we need to go next and we will never get the kind of systemic reform that has to be made if we are going to have any hope of addressing this very serious problem of housing affordability.

It is now becoming commonplace for people to express concern about how their children are ever going to be able to afford to get into home ownership. That represents potentially a major social transformation and a major social tragedy. In saying that I am not presenting a view that home ownership is the panacea for everything and has to be the ultimate goal. What this does mean is that, without major structural reform, the reality will be an entrenched and almost unbridgeable wealth gap within the Australian community; because the major driver of the growing gap in wealth between the haves and the have-nots now is access to and ownership of real estate. There is a whole group in the middle who are hanging on by their fingernails and who are in debt up to their eyeballs hoping that they can get on the right side of that gap. There will be fewer and fewer who can do that. That will present a major inequality that will be entrenched in Australian society into the future unless we do something about it now.

We have seen again, just in the last day or so, the Treasurer—this guy who presents himself as some sort of expert economic manager and guru—simply try and slam the state governments. He said they have to get rid of stamp duties and if they do then that will solve the housing affordability problem. It is just ludicrous. Frankly, the states are not much better. We have had this finger-pointing, blame-shifting exercise year after year. The states say it is the federal government’s fault and the federal government says it is the states’ fault. Frankly, I think it is everybody’s fault—governments at all levels. This is a government at federal level that has intervened time and time again in a whole range of areas where it has deemed it appropriate, whether rightly or wrongly, to take greater control over. That has been done either directly or through the leverage and arm-twisting that their control of the purse strings lends them.

This is an area where the federal government have absolved themselves of responsibility. I think of the number of times I have asked questions of the government in question time and elsewhere about what they are doing about this issue. All we get is a barrage of abuse and a blaming of the states. Then they say, ‘Our role in housing affordability is to keep interest rates low.’ It is a ludicrous,
pathetic, irresponsible, inaccurate and inadequate response. Of course low interest rates are better than high interest rates, but we all know that the level of indebtedness now, and housing based indebtedness in particular, is much higher than it has been in the past for a whole stack of reasons. If you are talking about decent economic management then you need to look at all the different amounts of money that in all sorts of different ways are going into and affecting housing affordability and the housing market.

Negative gearing is the great unmentionable. For some reason we are just not allowed to talk about it. It can be talked about without saying that it should be abolished overnight, but there is a very strong case for looking at whether or not it should be modified in some way. It amounts to a $2 billion subsidy to those who are better off. It is in many ways inflationary and in many aspects encourages the speculative side of the real estate market over those who are simply trying to buy a house to live in. We have the capital gains discounts that were put through this chamber in 2000, I think it was. They provide a massive incentive for more speculation in the real estate area and a massive gain for those who are better off. We cannot even measure how much of that goes into the housing area. We have the first home owners grant. That has perhaps provided some short-term relief for many people, but in many respects it is also an inflationary measure. We have the capital gains tax exemption for the family home.

Again, in raising these things I am not proposing that they all be removed; but I am saying that we have to look at how much goes into that and what impact it has on the cost of housing and on equity issues and what other measures we could look at to address that. Some academics have estimated that up to $30 billion a year—maybe it is only $20 billion or maybe it is $30 billion; it is a hell of a lot of money—in all sorts of different ways is being spent in subsidies. We have all the rent assistance payments now that are going up and up and up. It is well over $1 billion. We have $1 billion in the Commonwealth-state housing agreements. Rent assistance is now more than that. All of those things are going into the mix in an untargeted, ad hoc, bandaid way with no overarching strategy. In many cases the data is not even collected to know where it is going, who it is going to and how it is being applied.

If you look at the first homeowners grant, you see that hundreds of millions of dollars have been spent; and we do not even know who it is going to. We do not even know which houses are being bought for it. We do not know the price of the houses that it is being applied to. We do not know if it is the best way to spend public money. You have got billions of dollars going to this key area of the economy, and raising all of those issues is in no way suggesting they should all be stopped. But it is suggesting it is about time we stopped and had a look at them in totality, and looked at what it means and what their impact is. We are spending tens of billions of dollars a year in various ways or via forgone revenue, and we do not know what impact it is having. We do not know where it is going and we have no way of assessing whether we could spend the same amount of money in a much fairer, more economically efficient and more effective way that would ensure affordable housing for a much greater proportion of the Australian community.

Why won’t we do it? Because nobody wants to open it. There are too many vested interests; it is much easier to just blame the states or blame the federal government. Nothing progresses, and what happens instead is that more and more Australians fall further behind and the housing affordability...
crisis gets worse. The last time it got to a level sufficient to create some political heat on the federal government, the Treasurer—the great economic manager, the maestro Mr Costello—announced an inquiry. He called in the Productivity Commission. It was a very narrow inquiry. That was enough to get it off the front pages. By the time the commission reported there was enough of a lull for him to just ignore it and blame the states again. He continues to point to that same report and say the states did not take up the recommendations they should have. He is right; they did not. But the federal government did not take up the recommendations the report had applied to the federal government either. It is just continual inaction on all sides, grossly ridiculous policy, not looking to the long term and not looking at the best interests of Australians. What we have at the end of it all is a crisis that is far worse than it was when I first started raising it in this chamber many years ago. It is time for action, and I call on the federal government to show some leadership in this area and to show some courage. (Time expired)

The DEPUTY PRESIDENT—Before calling the next speaker, I remind senators that having mobile phones on in the Senate is disorderly. They should be either turned to silent, left outside or left off.

RAAF Accident, Canberra 1957

Senator IAN MACDONALD (Queensland) (10.24 pm)—On this day 50 years ago, the Hon. the Minister for Air and Civil Aviation, Mr Townley, rose in the House of Representatives following question time and advised the House:

The House will be aware that a Dakota aircraft from No. 86 Wing, Royal Australian Air Force, Canberra was lost last evening. The accident resulted in the loss of four lives ... The aircraft was engaged on night take-offs and landings and had been carrying out these exercises for approximately an hour.

The actual cause of the accident will be the subject of the usual service inquiry by the Director of Flying Safety. Only one fact is clearly established at present. That is that the aircraft had an engine failure while climbing away from the airport.

He concluded by saying:

The men themselves gave their lives while training for the defence of their country and have earned the reverent gratitude of this National Parliament and, indeed, of all people of Australia.

Fifty years on I want to pay tribute not only to the four airmen who lost their lives 50 years ago but to all others in Australia’s military history who have lost their lives whilst serving their country away from a combat zone. All service men and women who volunteer for service in our defence forces are at risk from the very nature of their work. They work in an area where there is greater risk to their health and safety and, indeed, lives than in most other occupations in the community.

We all owe all of our service men and women a very high debt of gratitude and we need to remember from time to time those who gave their lives in the service of their country.

In the instance that occurred 50 years ago yesterday, on 19 March 1957, the crew of the aircraft were participating in night trainings and had taken off from the Canberra airstrip when the port engine failed, according to the Court of Inquiry, because of a failure of the governor drive gears. The emergency occurred during the takeoff run or very shortly after the aircraft had become airborne. Evidence given to the Court of Inquiry, and newspaper reports following the accident, suggested that when the aircraft’s engine failed there was a danger of it crashing into the married quarters at Duntroon College and that the pilot took evasive action to avoid crashing into those residences and causing substantial loss of life; this evasive action by a crippled aircraft may have added to the inevitability of the fatal crash of the aircraft.
As well as the crew members, who are particularly remembered today, their loved ones also need to be remembered and supported. I know that in the case of the captain of that aircraft his widow, Alma, 50 years on, maintains her love for her husband and for his family—a love and spirit that are fully reciprocated. I know all of this because the pilot of that aircraft which crashed 50 years ago last night was Hector Neil Macdonald, my brother.

Geothermal Energy

Senator HURLEY (South Australia) (10.27 pm)—I want to speak tonight about emissions policy and carbon trading, which in much of the debate has been painted as jobs versus a responsible greenhouse gas policy. However, I think there are a number of possible creative and responsible solutions which would create jobs in new areas and continue, at least in the short term, with jobs in other areas. But I think that some of these projects require government assistance and forward-thinking government policies which look to the future of Australia and of our energy sources.

I want to speak about one source of energy in particular tonight—that is, geothermal energy. I have had the opportunity in my period of time in South Australia to be on one of the resources development boards of the South Australian government and have learnt a great deal about geothermal energy. South Australia is one of the leading states in the geothermal area. It has great comparative advantages in geothermal resources and has attracted more than 90 per cent of Australia’s national investment in geothermal research, particularly because it has the natural resources there. I think the salient point here is that in a global market, with a proper carbon pricing regime, geothermal energy is likely to be a significant growth industry for Australia in the energy sector. It is one that deserves careful nurturing and careful response by the government.

I would like to explain a little bit about what geothermal energy is, because often people bandy around these terms, and I do not necessarily think it is well understood. Geothermal energy is not new. It has been known about since the early 1900s. It is currently used in over 20 countries, where it is mostly based on heat sources that use water reservoirs—for example, in New Zealand and in Queensland, where there is currently an energy source that uses water reservoirs. But the area that is opening up in Australia and the area I want to talk about is the use of hot fractured rocks. These are rocks deep in the earth that maintain a high level of heat but that are overlain with insulating rocks which trap the heat.

The process that can be used relies on very well-known processes in the mining industry to produce energy from that heat. The process is that water is circulated through the hot rocks up to the surface and that the heat is captured by a heat exchanger using groundwater cooling. Once the heat passes through the heat exchanger, it is transferred into another closed cycle system that has an ammonia-water working fluid which has a lower boiling point than water. It is this system that generates the vapour to spin turbines to create power generation. The beauty of it—especially in South Australia, which has few water resources—is that the water used in the process is continually under pressure and never turns to steam. This means that the water in the system is continually recycled.

Since the first geothermal exploration licence in Australia in 2001, 16 companies have now joined the hunt for geothermal energy resources in 120 licence application areas. This represents a national investment of $570 million. These geothermal energy
resources—although, as I said, many of them are in South Australia—are right around the country, right through Australia, and represent a very exciting possibility for energy generation. However—and I alluded to this in the beginning of my speech—one of the problems is that the anticipated cost of the enhanced geothermal system energy has been estimated at $49 to $60 per megawatt hour. So without carbon pricing many forms of conventional energy generation, such as coal and natural gas, are much more cost-effective.

Another complicating factor is that most—but not all—of the geothermal energy resources are in remote areas. That means that the cost of transmission to the energy market is also a factor in pricing. However, it has been estimated that six per cent to eight per cent of Australia’s power could be produced by this source by 2030 if a 70 per cent reduction of emissions is required. That means that this could be a significant source of energy in Australia that produces energy for a reasonable cost, reduces the amount of greenhouse gas emissions and is a clean, easily used form of energy. The important issue in this is that a lot of research and development is going on around Australia into this geothermal energy source, but we are now at the stage where we need to look carefully at the commercialisation of that research and development.

As I said, much of the technology used is well known, but it is a matter of ensuring that this exciting potential form of energy does have commercial application. That is where we need assistance from both state and federal governments to ensure that Australia is able to use this readily available form of energy. It is a form of energy that is almost as readily available as coal and gas in Australia and that has a significant number of benefits. The research and development that has gone on is very much supported by state governments and by the companies involved. It involves types of exploration and types of processes to get down into the rock to release the heat energy, to bring it up to the surface and to then process it.

One thing Australia has in the past been very good at—and this is well recognised—is doing that research and development but then failing at the last moment at the hurdle of commercialising the process. That is where I think that, rather than stopping at the research and development, governments need to concentrate a lot of effort and possibly quite a bit of funding into getting this process to the commercialisation stage. We have the potential here to export this technology to other countries which, if there is a carbon pricing regime instituted around the world, I am sure will be keen to utilise this kind of technology as well. We would not want to be in the position where, once again, overseas companies buy the research and development and are then responsible for the commercialisation of this kind of energy and sell it back to us.

Recently the 2006 annual report of the Australian Geothermal Implementing Agreement was released. That is a group consisting of most of the companies involved in this process looking at how they go forward. I am certainly hopeful that they get strong support from the government and that next time around we have a Labor government in place that is willing to look seriously at a carbon pricing regime and how companies in this form of energy, where carbon emissions are very low, will be properly supported and encouraged by the federal government.

**Global Changing Diabetes Leadership Forum**

**Senator BARNETT** (Tasmania) (10.37 pm)—Tonight I rise to advise the Senate of the Global Changing Diabetes Leadership
Forum held in New York last week. I was fortunate enough to be a speaker at the forum and was honoured to meet the keynote speaker, former US President Bill Clinton. As many would be aware, I have type 1 diabetes and have had it since the age of 34. I learnt three lessons from the forum: firstly, that diabetes is a silent killer, a monster getting bigger and bigger, which requires an urgent response around our globe; secondly, that Australia is leading the pack in addressing this epidemic; and, thirdly, that there is still more to do.

The forum involved 150 to 200 politicians, senior representatives of governments, international organisations, patient organisations, healthcare professionals, academia and media from more than 18 countries. Why? Because diabetes is a world monster getting bigger and bigger. Diabetes is becoming the worst pandemic of the 21st century. Today already more than 246 million people worldwide have diabetes, with some 70 per cent in the Third World. This increases by seven million people every year, killing as many people as are dying from AIDS each year. At the present rate, this number will grow to more than 380 million people by 2025. Every 10 seconds someone in the world dies from diabetes and every 30 seconds someone has a limb amputated through diabetes.

As the communique from the forum said: Action has to be taken now. There is an urgent need to change the course of diabetes by redefining healthcare and focus on the needs of people with diabetes.

The forum, sponsored by the international insulin supplier Novo Nordisk, was the follow-up to the historic United Nations resolution on diabetes achieved in December 2006. On 20 December 2006 the UN resolution was passed that specified that 14 November, the current World Diabetes Day, would be designated as a United Nations day to be observed every year, beginning in 2007; that World Diabetes Day should be observed in an appropriate manner to raise public awareness of diabetes, including through education and mass media; and that member states, including Australia, should be encouraged to develop national policies for the prevention, treatment and care of diabetes, taking into account internationally agreed development goals including the Millennium Development Goals.

I was pleased to have been among those, particularly the Australian Parliamentary Diabetes Support Group, who successfully lobbied our government to be a signatory to the resolution, and I again thank the Minister for Foreign Affairs, Alexander Downer, for his support in this regard. I and my Parliamentary Diabetes Support Group colleagues Judi Moylan and Mal Washer attended the conference as guests of Novo Nordisk. We also visited the Juvenile Diabetes Research Foundation International in New York and received briefings on the latest technology developments and research. JDRFI expend substantial research dollars in Australia, and the partnership is appreciated.

Prior to the forum I was able to organise for our Australian delegation a meeting with the Australian Ambassador to the United Nations and former Senate colleague, the Hon. Robert Hill, to discuss the diabetes epidemic. It was most appreciated and a worthwhile and productive meeting. At the forum I met Governor Mike Huckabee, who has just finished two terms as Governor of Arkansas. Governor Huckabee is a candidate for the Republican presidential nomination and has lost over 120 pounds, or over 55 kilograms, through living a healthy lifestyle in terms of diet and exercise. The former Speaker of the US House of Representatives Newt Gingrich also attended the forum. Governor Huckabee said that in Arkansas he introduced a system
of body mass index benchmarking of children as a way of measuring their health and fitness and providing the information confidentially to parents. In his view the system was working well. This is a system which I have long advocated for Australia, and I will come back to that.

In terms of the briefings and meetings of the Australian delegation in New York, apart from the MPs I have mentioned, the delegation included Dr Gary Deed from Diabetes Australia, Professor Martin Silink of the International Diabetes Federation and Professor Stephen Colagiuri from Sydney, amongst others. I also took time to visit Cincinnati, Ohio, where I met two-term Governor Bob Taft and his wife, Mrs Hope Taft, together with Mrs Joan Taft. My former boss when I used to work in the United States at the Taft law firm was former senator Bob Taft, and we certainly enjoyed renewing our friendship.

During that time in Washington, DC, among other things I had briefings on the poppy industry, which is worth $65 million to Tasmanian farmers, and the future prospects for Tasmanian poppy growers and manufacturers; I had briefings on the US free trade agreement; and I provided a brief to the Family Research Council as well as accepting their invitation to appear on their syndicated radio show.

I will go back to the forum. The forum in New York achieved a great deal. Professor Martin Silink, President of the IDF, told the forum:

... the reality is that there will not be an automatic increase in funds for diabetes for either prevention or treatment in the short term.

And he promoted the merits of a global diabetes fund similar to the global fund for AIDS. I support the push for a global diabetes fund and believe it most worth while and achievable.

In my address to the forum I shared the Australian experience and said there was an urgency for governments to understand the link between the diabetes pandemic and the obesity epidemic and to react accordingly and promptly. I also called on the diabetes community to engage stakeholder groups such as the food and fast food industry and the health, education, media and advertising sectors in raising awareness and creating solutions. The reason is simple: one in five Australian children is overweight and one in 10 is obese. This is why I support BMI benchmark testing of children with the results provided confidentially to their parents. As I said at the forum and agree with the experts, if you cannot measure it, you cannot manage it. We benchmark our children’s numeracy and literacy; we should be benchmarking their health and fitness.

Former President Clinton told the forum that, if he had known back then as President what he knows now, he would have been far more proactive on issues such as childhood obesity. The former President said he wished he had focused more on the trend lines than on the headlines. I think that is a worthy lesson appropriate for all of us.

On a more positive note, what I discovered is that Australia leads the world in the diabetes fight and in acknowledging the nexus epidemic of childhood obesity. As I said in New York, the Howard government is moving to change what I call the ‘obesogenic environment Down Under’. In terms of our successes, we have a universal healthcare system and special arrangements for people with diabetes. We have a National Diabetes Services Scheme, which is costing over $100 million each year, or $667 million, which will be provided for the period 2006-07 to 2010-11—a very positive and appropriate investment indeed.
The Washington Post provided extensive coverage of the forum and reported me saying that Australia, along with the United States, was one of the fattest countries on earth and that diabetes is a monster that is getting bigger and bigger. I quote from the Washington Post:

Barnett said that with one in 10 Australian children now obese, the Australian Government has mandated healthy school lunches, and boosted funding for after-school physical activities programs.

That is not entirely correct because our government has provided financial support for healthy school lunches but it has not as yet mandated healthy school lunches. That is a matter for the state governments of Australia.

The Washington Post referred to my success with the Australian franchise fast-food giant McDonalds in encouraging them to make menus healthier and providing more healthy options. According to the Washington Post, former US President Clinton helped broker similar deals with food companies last year to keep unhealthy sodas and snacks out of American schools.

Australia’s response has been to lead the world in the fight against this pandemic. We have established diabetes as a national health priority. In 1996 we provided over $2 million for the National Diabetes Strategy. We have provided over $43 million over four years for the National Integrated Diabetes Program and, as I have said, we support the National Diabetes Services Scheme. We provide funds for the AusDiab survey and funds for research, including over $30 million over five years for research into type 1 diabetes. Finally, over $230 million was spent on the PBS for managing diabetes. The record is good but there is still more to do.

Australian Political Parties for Democracy

Senator FAULKNER (New South Wales) (10.47 pm)—Tonight I provide the Senate with a further report on Labor’s Australian Political Parties for Democracy, APPD, work. The ALP is committed to using the APPD program for a range of international activities, including the provision of practical training to political parties in the Asia-Pacific. In this contribution, I particularly want to report on our technical assistance programs.

Labor is building cooperative programs with the National Democratic Institute of International Affairs or NDI, the United States progressive democracy-building institute. Two senior representatives of the NDI are visiting Australia this week—Ivan Doherty, NDI’s director of political party programs, and Peter M Manikas, senior associate and regional director for Asia programs at the NDI. They will meet with the ALP’s International Party Development Committee, which I chair, tomorrow.

As part of our broad strategy of regional engagement, ALP international projects will continue to plan and deliver training activities in our region in cooperation with organisations like the NDI as well as through multilateral and bilateral programs through our international projects section. This year, three countries in our region will face national elections: the Philippines, Timor Leste and Papua New Guinea. Despite each of these countries possessing functioning democratic institutions, their citizens face many challenges as they strive for better government.

We have used our partnership with the NDI to further our commitment to increasing the number of women in politics in Asia and the Pacific. Dr Lesley Clark, who recently retired as the member for Barron River in the Queensland parliament, is now a valued trainer under our APPD programs. In February of this year, Lesley flew to the Autonomous Region of Muslim Mindanao, ARMM,
in the southern Philippines where she gave workshops on mentoring and campaign skills to prepare women for the May elections.

Lesley has experience with EMILY’s List in Australia, in working with the ALP’s affirmative action rules in getting more women elected, as well as 15 years experience campaigning in a marginal seat in Queensland. Lesley Clark reports that ‘trapos’—traditional politicians—still wield power in the Philippines through intimidation and money politics.

The Philippines will go to the polls on 14 May this year. Since the last election, politics in the Philippines has been marked by accusations of human rights abuses and political killings. The real test for politicians of all parties will be whether or not the forthcoming national elections are again marred by violence and electoral fraud.

With Papua New Guinea’s political parties preparing for the national elections beginning on 30 June, a Labor team travelled to Port Moresby to undertake consultations with party secretariats and candidates about limited preferential voting, the LPV system. Included in the team were Michael Morgan, our director of international projects; David Fredericks, former chief of staff to Kim Beazley; and Richard Marles, a member of the International Party Development Committee and also a Labor candidate for the federal seat of Corio in the forthcoming election.

In the year 2007 will be the first national election in PNG conducted under a preferential voting system since independence in 1975. The new system is designed to encourage more accommodative behaviour between political parties and candidates, and it is part of a suite of reforms adopted in PNG in recent years. A major reform is the Organic Law on the Integrity of Political Parties and Candidates, known as the OLIPPAC. This piece of legislation is designed to limit the ability of members of parliament to change parties during the parliamentary term. It also lays down minimum requirements for party status and rules to encourage more women to run for and win office.

Despite these reforms, many Papua New Guineans fear that the coming elections will be just another exercise in money politics. Many of PNG’s parties and Independents believe that the election will be determined by a handful of wealthy party backers, who will effectively buy victory for the party they support. I can assure the Senate that, through our International Projects, we will continue to deliver training and capacity building to PNG parties as they prepare for the elections in June and July this year.

Of course, Timor Leste faces a different kind of challenge. In November 2006, an ALP delegation visited Timor Leste to gauge interest among the major political parties for technical assistance. In the aftermath of last year’s violence, and in preparation for this year’s national elections, ALP International Projects has been working to assist Timor Leste’s political parties to contest free and fair elections. We will provide a multiparty program to Timor’s main political parties in campaigning, party organisation and policy development.

To assist in this process, Gavin Ryan, who is an advisor to Senator Gavin Marshall and a member of the ALP team which visited Dili, has just completed an update of the Briefing notes on East Timor’s political parties and groupings, first undertaken by Pat Walsh for the Australian Council for Overseas Aid. We will make this information publicly available in the hope that it will help people to understand a little more about the political culture of the newest nation in the region.
Most recently, we have contributed to the training of political parties in Aceh, in Indonesia. The tragedy of the December 2004 tsunamis brought the Indonesian government and the Free Aceh Movement to the bargaining table in early 2005. The resulting agreement, signed in Helsinki in August 2005, offers the prospect of peace to a province that has experienced more than 30 years of conflict. A key component of the peacebuilding process is the inclusion of former combatants in the governance of Aceh.

Local elections in Aceh on 11 December 2006 were a milestone on the road to sustained peace. For the first time, those excluded from public life, including the GAM leadership—the Free Aceh Movement leadership—and former GAM combatants, were able to participate in the electoral process. Campaigning and voting were largely peaceful and the electoral victory of the independent GAM gubernatorial candidate Irwandi has been accepted by all parties.

Recognising the opportunity to institutionalise the progress made in these elections, ALP International Projects sent Terry Wood, a Queensland state ALP organiser—well known to my two colleagues in the chamber Senator McLucas and Senator Moore—to join a multinational team of trainers. We thank the NDI country office in Jakarta for their logistical support and note that the program was made possible with funds from the Canadian Department of Foreign Affairs and Trade. We also thank the Indonesian embassy for their help with visa applications. We commend Governor Irwandi and all the parties in Aceh for a peaceful and successful electoral process. Mr Deputy President, you also know of the good work undertaken by Mr Terry Wood. I look forward to reporting again to the Senate on more progress on the success of the ALP’s APPD schemes.

**Australian Labor Party**

**Senator FIERRAVANTI-WELLS** (New South Wales) (10.57 pm)—Today the New South Wales Labor Party has reached a new low. I have become aware of yet another disgraceful item on the Australian Labor Party’s website, authorised by the New South Wales Labor Party headquarters in Sussex Street. This website, www.debnamrecord.com, is entirely dedicated to launching personal attacks on the New South Wales Liberal Party leader, Peter Debnam, and the New South Wales Liberal Party.

What I find most shameful is the fact that, after 12 years of scandal, blatant lies and incompetence, the Labor Party feel that their resources are best spent on ridiculing the opposition leader, the military and the small business people who are the engine room of the Australian economy. The sheer arrogance of the Iemma government and its total denigration of the Australian way of service to one’s country and building a small business is why we desperately need a change of government in New South Wales.

While I am well aware of the Labor Party’s dirty tactics when it comes to election campaigning, one item on this website is particularly reprehensible and disgraceful. In this appalling ALP radio sketch, Peter Debnam is ridiculed for his service in the Royal Australian Navy. The item entitled ‘Can we trust a man who wore white pants?’ questions Peter Debnam’s credibility for the most senior job in the state because of his past service in the Navy. The radio sketch says:

New South Wales is having a State election but Peter Debnam has said the following: “I used to be in the Navy”. Can we risk a man who wore white pants to run this state? Say no to Peter Debnam.

What an absolute disgrace! This comes on top of another jingle, which is sung to the tune of *In the Navy*, which also sought to
make fun of Peter Debnam’s naval service. Peter Debnam is mocked and derided for his service to his country. More importantly, the New South Wales Labor Party clearly considers a history of national service to be an embarrassment. This is an unqualified attack on all men and women who have served this country.

Isn’t it amazing how history repeats itself? The honourable career of joining the Defence Force certainly came under attack in the 1970s. Senators will recall the treatment received by Vietnam veterans when they returned to Australia. Labor and their apparatchiks were at the forefront of the attack of those veterans, many of whom suffer today because of psychological disorders established as a result of the attack on their integrity in their intent to serve Australia. It comes as no surprise that we are seeing a resurgence of this cancer and canker, with the Labor Party in the New South Wales government attacking the integrity of those who choose to serve in the Defence Force.

Hundreds of thousands of men and women have served in the Navy over many years. Let us not forget that many young men and women are today serving Australia in overseas operations, risking their lives to preserve the peace, security and rule of law that we enjoy in Australia today. Many who have served in the Navy, past and present, have served with distinction and have seen the Defence Force as an honourable career.

If Labor think that being in the Navy makes someone unfit to be Premier, they have sorely misread the mainstream in the electorate. Morris Iemma and Labor are telling the electorate that if you have served in the Navy, forget it: when you leave the Navy, you are not fit for public office. That is the effect of the ridicule and scorn being heaped on thousands of our former serving men and women who have left the Navy to go on to other careers. This is disgraceful behaviour by Labor, and I hope that the voters this Saturday will remember this and be reminded of it. Those men and women serving at defence establishments throughout New South Wales should be reminded of the fact that the Labor government views their service to their country with disdain. Indeed, all of those former members of the Defence Force, and perhaps their fathers and grandfathers, are held in the same disdain by this ridicule.

Former military people leave the forces with extensive skills that are easily transferable to other careers. There are thousands of them in Australia. Yet the Labor government is prepared to laugh at them, to mock them and to say that because they wore white pants they are not fit to aspire to the position of Premier. What is most striking is the arrogance of a government that, after 12 years of presiding over a declining economy, crumbling infrastructure and unreliable services, resorts to discrediting those who served their country in the defence forces—just to score cheap political points.

My husband served in the Royal Australian Navy for 33 years. I am proud of his service to his country, and I am appalled that the Labor Party has seen fit to mock and ridicule the service of thousands like my husband. I know that I speak for many in condemning this shameful display of total disregard and disdain. I call upon Premier Iemma to withdraw this disgraceful item from this Labor Party website, to apologise for mocking and ridiculing people who served in the defence forces, and to apologise to people like Mr Debnam who have served their country—and to all of those people who are still serving. Indeed, I would urge the many naval associations and advocacy groups to join with me in condemning this outrageous mockery of our naval tradition. This is an all-time low, even for the Labor Party. This arrogant government has
Philippines

Senator MARSHALL (Victoria) (11.04 pm)—I rise tonight to talk about recent events which give further cause for concern about the status of democracy in the Philippines. In particular, I refer to a warrant of arrest which has been issued against Representative Satur Ocampo, the Deputy Minority Leader of the Philippine House of Representatives. I have spoken in this place on a number of occasions about human rights abuses which have occurred in the Philippines since President Gloria Arroyo came to power in 2001. It is an issue that, despite international attention and condemnation, refuses to go away.

In the period of the Arroyo government, there have been more than 820 extrajudicial killings and execution-style assassinations of Philippine citizens, and it is a number which is increasing almost daily. In addition to these killings, many more Philippine citizens have had threats made against them, have had assassination attempts made on their lives, have disappeared or have been held in detention without warrant. Those who have been subjected to these crimes include unionists, lawyers, church workers, municipal councilors, human rights advocates and journalists. In fact, the Philippines has the dubious distinction of being the second most dangerous country for journalists—second only to Iraq. This is a status which was stressed in the past month when a newspaper editor was murdered in a drive-by killing in Mindanao province.

As I have said before in this place, the common factor that links the victims of these crimes is that they have all been outspoken on issues of justice, poverty, civil liberties, workers’ rights and human rights. They have advocated on behalf of the poor and oppressed in the Philippines, and many of them have been directly critical of the Arroyo government. However, few of these crimes have been appropriately investigated and those responsible for these atrocities have not been brought to justice.

Also of grave concern to me are the continued attacks on members of progressive political parties in the Philippines and the attempts by the Arroyo government to suppress any form of political dissent or opposition. Symptomatic of this is the arrest warrant issued earlier this month against Representative Satur Ocampo, the deputy minority leader of the Philippine House of Representatives and the President of the Bayan Muna Party or People First Party. Representative Ocampo was the subject of an arrest warrant on 6 March for alleged murders committed 22 years ago in the province of Leyte. These accusations of murder appear to be baseless.

Satur Ocampo was arrested in January 1976 and held under military custody by the Marcos regime until 1985 on rebellion charges—charges which he has subsequently been cleared of. He is now being charged with a crime that happened between 1984 and 1985 while he was under military detention, rendering impossible the claim that he was in Leyte to supervise these purported killings. Despite this impossibility, the judge refused to dismiss the case against Ocampo. Representative Ocampo’s counsel also highlights a number of anomalies with the case against him, including the fact that no probable cause was found for charging him and no proof of conspiracy was presented, as required by law and jurisprudence. This measure to impose an arrest warrant on Representative Ocampo on baseless charges marks a continuation of the Arroyo government’s attempts to thwart political opposition in the lead-up to the May elections.
I am concerned that Representative Ocampo may suffer the same fate as his fellow Congressman Crispin Beltran. On 25 February last year, Crispin, a well-known member of the Anakpawis party, was brought in for questioning by the Filipino police. His arrest warrant was based on a subsequently quashed rebellion charge filed back in 1985 by the Marcos regime. He continues to be detained on the same unjust rebellion charges also filed against Ocampo and has been denied the right to due process.

Since Gloria Arroyo became President, the Bayan Muna Party and other progressive political parties in the Philippines, such as the Gabriela Women’s Party, have been subject to these extrajudicial killings and continual harassment. Under the Arroyo government, 130 members of the Bayan Muna Party, a party which seeks to be a progressive voice in the Philippine Congress, have been murdered. Seven Bayan Muna Party members have already been killed this year, including two who were killed as recently 11 March. Amongst its members killed this year include Professor Jose Maria Cui, a university professor, unionist and human rights activist. Professor Cui was shot and killed last month in front of his students at the University of Eastern Philippines by two assassins who later fled on motorbikes. The arrest warrant against Satur Ocampo, the continued detention of Crispin Beltran and the murders of the members of opposing parties are clear attacks on the people’s right to a safe, secure and prosperous life and are attacks on the democratic process itself.

Links tying these abuses to the Arroyo government have been clearly established by many international organisations, including Amnesty International and the United Nations. Earlier this year, Professor Philip Alston, an Australian human rights academic and the United Nations Special Rapporteur on extrajudicial, summary, or arbitrary executions, spent 10 days investigating the murders and abuses in the Philippines. In recent media statements he criticised the armed forces of the Philippines for remaining ‘in a state of almost total denial of its need to respond effectively and authentically to the significant number of killings which have been convincingly attributed to them’. In his preliminary report, he concluded that ‘the executive branch of the Philippine government, openly and enthusiastically aided by the military, has worked resolutely to impede the work of party-list groups and to put in question their right to operate freely’.

The role of the opposition in any democratic society is clear: it is to provoke discussion, to provide scrutiny and to develop an articulate alternative agenda to the government of the day. Without the ability for the people to organise and follow their beliefs and convictions free of the threat of persecution, a true democracy cannot exist. However, Gloria Arroyo’s government is seeking to deny the citizens of the Philippines this right and has continued to use the apparatus of the state against parliamentarians who promote opposing view points.

Despite international pressure from bodies such as the United Nations and Amnesty International this cycle continues today. As members of the Australian parliament, we have a moral obligation to stand up in this place and let the Filipino government know that we are aware that these things are happening, and we need to continue to push the case for human rights reform. The Filipino government has a long history of working with the Australian government through APEC. They are two countries that in alliance have chorused long and loud about the fight against global terrorism. Yet, when it comes to the worst form of terrorism—that is, state sponsored terrorism—the silence of both governments is deafening.
The Howard government has argued for years that the war on terror is about the promotion of human rights, the affirmation of democratic values and making people’s lives better. Yet the irony is not lost on me that our government’s dedication to these values is selective at best. Time and time again, it has failed to stand up for these issues in our own region. As regional neighbours, we have a responsibility to stand up for the oppressed in the Philippines and to ensure that democracy and human rights in our region are not suppressed. I have written to the Minister for Foreign Affairs seeking further clarification about the situation of Representative Ocampo, and I am looking forward to his response.

The challenge also lies with President Arroyo to act on the advice of the international community, such as the United Nations and the European Union, to stop silencing her opponents and restore the fundamental elements that underpin a democratic system—that is, freedom of association and freedom of speech. She needs to show the world that she has a commitment to democratic values by bringing an end to the violence, killings and abductions, releasing Crispin Beltran and ensuring Representative Satur Ocampo is not denied access to due legal process and the rule of law. The eyes of the world will be on the Philippines and the government of Gloria Arroyo in the lead-up to their elections, to ensure that justice is afforded to the victims of violence and harassment, that the citizens of the Philippines can participate in the election process freely and without fear and that true democracy in the Philippines prevails.

Rotavirus Vaccination

Senator CAROL BROWN (Tasmania) (11.14 pm)—I would like to bring to the Senate’s attention issues relating to the vaccine for rotavirus gastroenteritis. Rotavirus is a preventable illness and one of many preventable illnesses that people are ending up in hospital with because of the Howard government’s failure to act. For those of you who are unfamiliar with the facts of the virus, nearly every Australian child will contract the virus at some point before they turn five years old. One out of every 25 children will be hospitalised because of it. A child with a rotavirus infection has a sudden onset of fever, vomiting and watery diarrhoea. This is often accompanied by severe abdominal cramping, a cough and a runny nose. The severity of the diarrhoea will often lead to acute dehydration. For young children, this situation can be quite serious. To put it into perspective, diarrhoea kills more children around the world than AIDS, tuberculosis and malaria combined.

Many Australian mums and dads have already seen their young children in horrible amounts of pain as result of the virus and, unfortunately, those who have not are very likely to—and soon. The experience not only hurts the child but it also affects families as well. Many suffer distress because they have not seen their baby or toddler unwell before. The experience has been described by parents as heartbreaking and frightening. What makes matters worse is the fact that the virus is extremely contagious, with 25 per cent of cases referred to the Canberra Hospital resulting in more than one member of a family being treated for the virus.

The impact of the virus not only affects hospitals, hospitals beds and emergency departments but also the workplace and child care. As you can imagine, in a childcare environment, where young children come into contact with others on a regular basis, the effects of the virus can be catastrophic, as it has the potential to spread through the centre in a short period of time. As a result, most centres require parents to provide a medical certificate to prove that their child is no
longer affected by the virus and safe to return to the centre. As a result, parents take time off work to keep their sick children at home. The impact of this virus is not isolated to the sufferer; the entire family is affected.

To highlight the reach of this virus, nearly all of you here that have children or grandchildren will have experienced the unpleasant effects of rotavirus in your families. The virus generally lasts for between three and eight days, and multiple infections during the early years of a child’s life are not uncommon. Like forms of influenza, rotavirus is at its busiest in the winter months. Huge numbers of children with the virus flood hospitals, placing massive strain on the system. In fact, this virus is one of the leading causes of infant hospitalisation in the nation. Every year, rotavirus puts 10,000 Australian kids in hospital and 20,000 Australian kids into an emergency department; 100,000 Australian kids are taken to a GP with the virus. This places a huge strain on our healthcare services, especially when you consider that there is a vaccine available.

One of the vaccines available protects infants against rotavirus gastroenteritis while reducing hospitalisations for other forms of gastroenteritis. It is a ready-to-use, oral and easily administered vaccine. There are no invasive needles and no pills—simply a couple of drops that are capable of saving a child and their family considerable physical and emotional distress. However, it is important to stress that the vaccine must be administered at two, four and six months of age in three separate doses. I understand that it can be administered with existing paediatric vaccines on the National Immunisation Program. Failure to administer the vaccine during this short time frame will render it redundant and the child susceptible to this horrible virus.

Not funding this vaccine soon, when we are closing in on the winter flu season, means that more and more Australian children every day will miss their chance to be vaccinated against the virus. At present, most Australian children already receive immunisation at two, four and six months. Among federally funded immunisations for these ages are vaccines against hepatitis B, diphtheria, tetanus and polio. These presently subsidised initiatives have saved many children over many years. One of the more recent vaccinations, the vaccination against meningococcal C, has been on the NIP since 2003. The high profile of this uncommon yet potentially fatal illness ensures that funding was granted relatively quickly; however, the rotavirus is not fortunate enough to receive as much public debate. The rotavirus vaccine, it seems, may suffer the same fate as the pneumococcal disease vaccine. Despite recommendations from the PBAC and the Australian Technical Advisory Group on Immunisation, it took the government two years before funding was announced for the pneumococcal disease vaccine just prior to the last federal election. Will the government continue to drag its feet or will it give rotavirus the immediate attention that it requires?

The safety and efficacy of this vaccine has been evaluated in one of the largest clinical trials in history. Conducted in 11 countries and involving 70,000 infants, the trials showed that the vaccine can reduce severe rotavirus gastroenteritis by 98 per cent, reduce hospitalisations by 96 per cent and reduce visits to the emergency department by 94 per cent. The vaccine was recommended by the Pharmaceutical Benefits Advisory Committee for funding on the NIP in November last year. Until funding is approved, a full course will cost families of suffering children up to $300.

There are a large number of families with small children who are already having diffi-
difficulty in making the family budget meet their obligations, and many have to consider whether they have the $200 or $300 to pay for a rotavirus vaccine because of the government’s delay in making a decision of this important health issue. Why then has it taken four months for the government to take action since the PBAC’s recommendation? The Minister for Health and Ageing has said that the government has been in negotiations with suppliers over the cost of the vaccine. While this is a positive step, time is of the essence. Funding must be approved as soon as possible so that as many of our children as possible can get through this winter free of illness. Why stall over money when it concerns our most precious commodity?

Rotavirus has a major impact on the health system in terms of both cost and service utilisation. The cost of admissions, emergency department visits and GP visits for the virus in children under five years is estimated at $30 million a year. It has been reported that putting the vaccine on the NIP would cost taxpayers around $28 million per year. Using this figure, funding the vaccine would actually save the Australian public money. An immunisation program against rotavirus will have a significant effect on our public hospitals. It will reduce emergency department presentation, reduce overall hospital admissions and offer significant savings to our overburdened public hospital system. Beds in paediatric wards are working to capacity, particularly in winter months. Children who are admitted with gastroenteritis need to be isolated, adding greater pressures on the wards.

An immunisation program to prevent this illness should be wholeheartedly supported. The government can alleviate much of this pressure and make a significant difference to the lives of children, their families, childcare services and the health profession. Professor Geoffrey Davidson from the Women’s and Children’s Hospital in Adelaide estimates that, if the vaccine did receive government funding, during the flu or winter months traffic in the emergency departments of his hospital would be reduced by 10 per cent.

The government still has the opportunity to remove a major burden on the health system by reducing the impact on emergency departments and the subsequent blockages which rotavirus creates. We need a decision now. We need to get the vaccine out into the community protecting our children in time for this illnesses peak period. Approximately 27 children are hospitalised in Australia with rotavirus gastroenteritis every day. Now we have a vaccine that prevents this virus, so let us not waste another day. The government’s advisory committee says that it should be on the immunisation scheme and medical specialists, emergency departments, parents and the wider Australian community are all calling on the government to fund a rotavirus vaccine before the next winter epidemic. It is now time for the federal government to announce that it will fund infant rotavirus vaccines for all Australian infants. I understand that the Northern Territory government has already acted, tired of the delay by the federal government. Late last year, it undertook to fund the vaccine, at a cost of $1.5 million, ensuring that Northern Territory infants are immunised against this virus. It is time for the federal government to act. Stop the delay. Fund the vaccination and protect our kids.

Senator adjourned at 11.25 pm

DOCUMENTS

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—

Australian Research Council.
Australian Taxation Office.
Comcare.
Department of Communications, Information Technology and the Arts.
Finance and Administration portfolio agencies.
Immigration and Citizenship portfolio agencies.
Office of the Official Secretary to the Governor-General.

**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—
Employment and Workplace Relations portfolio agencies.
Foreign Affairs and Trade portfolio agencies.

**Tabling**
The following documents were tabled by the Clerk:

*Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number*

Aged Care Act—
Aged Care (Amount of flexible care subsidy — multi-purpose services) Determination 2007 (No. 1) [F2007L00652]*.
Determination of amounts of—
Community care subsidy—ACA Ch. 3 No. 1/2007 [F2007L00645]*.
Flexible care subsidy—
   Extended aged care at home—ACA Ch. 3 No. 2/2007 [F2007L00647]*.
   Extended aged care at home — dementia—ACA Ch. 3 No. 3/2007 [F2007L00648]*.

Appropriation Act (No. 2) 2005-2006—
Determination to reduce appropriation upon request—Determination No. 5 of 2006-2007 [F2007L00571]*.

Australian Communications and Media Authority Act—Australian Communications and Media Authority (Commercial Radio Broadcasting Services) Direction No. 1 of 2007 [F2007L00573]*.


Australian Research Council Act—
Approval of proposals under section 51—Determination Nos—

Funding Rules for funding commencing in 2008—
Linkage Infrastructure, Equipment and Facilities [F2007L00258]*.
Linkage International [F2007L00221]*.
Linkage Projects [F2007L00222]*.
Discovery Indigenous Researchers Development [F2007L00259]*.

Civil Aviation Act—
Civil Aviation Regulations—Instruments Nos—
CASA 75/07—Authorisation — to carry out maintenance on class A or
class B aircraft; Exemption – to certify maintenance on class A or class B aircraft [F2007L00484]*.
CASA 84/07—Approval and direction – operations without an approved digital flight data recorder and cockpit voice recorder [F2007L00546]*.
CASA 98/07—Permission – flying over a public gathering at Australian International Air Show 2007 [F2007L00613]*.
CASA EX08/07—Exemption – recent experience requirements [F2007L00556]*.
CASA EX09/07—Exemption – maximum take-off weight requirements in flight manuals or other documents (agricultural or restricted category aircraft) [F2007L00597]*.
Civil Aviation Safety Regulations—Airworthiness Directives—Part—
105—
  AD/750XL/9—S-Tec X 55 Autopilot System – Disconnect [F2007L00640]*.
  AD/BELL 206/167—Transmission Pylon Support Spindle [F2007L00584]*.
  AD/CESSNA 170/79—Crew Seat Back Cylinder Lock Modification [F2007L00641]*.
  AD/CESSNA 180/89—Crew Seat Back Cylinder Lock Modification [F2007L00642]*.
  AD/CESSNA 206/63—Crew Seat Back Cylinder Lock Modification [F2007L00643]*.
  AD/DA42/1—Fuel System – Auxiliary Fuel Tank Venting [F2007L00565]*.
  AD/MU-2/65 Amdt 1—Engine Torque Indication System [F2007L00566]*.
106—
  AD/ARRIEL/25—Fuel Filter Drain Screw [F2007L00657]*.
  AD/BR/700/8—High Pressure Compressor [F2007L00550]*.
  AD/CF34/13 Amdt 1—Uncontained Fan Disk Failure [F2007L00656]*.
  AD/CON/87—Superior Air Parts – Cast Cylinder Assemblies [F2007L00561]*.
  AD/CON/87 Amdt 1—Superior Air Parts – Cast Cylinder Assemblies [F2007L00578]*.
  AD/LYC/118—Superior Air Parts – Cast Cylinder Assemblies [F2007L00560]*.
  AD/LYC/118 Amdt 1—Superior Air Parts – Cast Cylinder Assemblies [F2007L00579]*.
  AD/ROTAX/23—Engine Driven Fuel Pump [F2007L00655]*.
  AD/SUPERIOR/1—Cast Cylinder Assemblies [F2007L00559]*.
  AD/SUPERIOR/1 Amdt 1—Cylinder Assemblies [F2007L00580]*.
Corporations Act—
Accounting Standards—
  AASB 8—Operating Segments [F2007L00562]*.
  AASB 2007-1—Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [F2007L00549]*.
  AASB 2007-2—Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [F2007L00575]*.
  AASB 2007-3—Amendments to Australian Accounting Standards arising from AASB 8 [F2007L00551]*.
ASIC Class Orders—
  [CO 07/9] [F2007L00510]*.

Customs Act—
Tariff Concession Orders—
0101093 [F2007L00526]*.
0208347 [F2007L00538]*.
0613256 [F2007L00524]*.
0615785 [F2007L00519]*.
0615786 [F2007L00520]*.
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Tariff Concession Revocation Instruments—
29/2007 [F2007L00527]*.
30/2007 [F2007L00528]*.
31/2007 [F2007L00529]*.
32/2007 [F2007L00530]*.
33/2007 [F2007L00531]*.
34/2007 [F2007L00532]*.
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37/2007 [F2007L00541]*.
38/2007 [F2007L00542]*.
39/2007 [F2007L00567]*.
40/2007 [F2007L00568]*.
41/2007 [F2007L00569]*.
42/2007 [F2007L00570]*.
43/2007 [F2007L00572]*.

Defence Act—Determinations under section 58B—Defence Determinations—

2007/7—Army – Expansion and rank retention and completion bonus.


Environment Protection and Biodiversity Conservation Act—

Amendment of List of Migratory Species, dated 27 February 2007 [F2007L00574]*.

Determination of assessment period for items for inclusion in Subdivision A Lists, dated 20 February 2007 [F2007L00563]*.

Determination of assessment period for places for inclusion in the National Heritage List and Commonwealth Heritage List, dated 20 February 2007 [F2007L00564]*.

Fisheries Management Act—High Seas Fishery Temporary Order 2007 [F2007L00586]*.

Great Barrier Reef Marine Park Act—Select Legislative Instruments 2007 Nos—

32—Great Barrier Reef Marine Park Amendment Regulations 2007 (No. 1) [F2007L00516]*.

33—Great Barrier Reef Marine Park (Aquaculture) Amendment Regulations 2007 (No. 1) [F2007L00537]*.

Hazardous Waste (Regulation of Exports and Imports) Act—Select Legislative Instrument 2007 No. 34—Hazardous Waste (Regulation of Exports and Imports) Amendment Regulations 2007 (No. 1) [F2007L00553]*.

Higher Education Support Act—Higher Education Provider Approval (No. 3 of 2007)—Institute of Counselling Incorporated [F2007L00599]*.

Migration Act—Migration Agents Regulations—MARA Notices—

MN10-07a of 2007—Migration Agents (Continuing Professional Development – Program of Education) [F2007L00638]*.

MN10-07e of 2007—Migration Agents (Continuing Professional Development – Preparation of Material for Presentation) [F2007L00627]*.

National Health Act—

Arrangements Nos—

PB 25 of 2007—Highly Specialised Drugs Program [F2007L00665]*.

PB 26 of 2007—IVF/Gift Program [F2007L00667]*.

PB 27 of 2007—Special Authority Program (Imatinib Mesylate) [F2007L00669]*.

PB 28 of 2007—Special Authority Program (Trastuzumab) [F2007L00670]*.

PB 29 of 2007—Chemotherapy Pharmaceuticals Access Program [F2007L00671]*.

Declarations Nos—

PB 21 of 2007 [F2007L00660]*.

PB 22 of 2007 [F2007L00661]*.

Determinations Nos—

PB 20 of 2007 [F2007L00658]*.

PB 23 of 2007 [F2007L00662]*.

PB 24 of 2007 [F2007L00663]*.

Pharmaceutical Benefits Amendment Determination under paragraph 98B(1)(a) No. 4 [F2007L00557]*.
Occupational Health and Safety (Commonwealth Employment) Act—Select Legislative Instruments 2007 Nos—

29—Occupational Health and Safety (Commonwealth Employment) Amendment Regulations 2007 (No. 1) [F2007L00545]*.

30—Occupational Health and Safety (Commonwealth Employment) (National Standards) Amendment Regulations 2007 (No. 2) [F2007L00461]*.

Primary Industries (Customs) Charges Act—Select Legislative Instrument 2007 No. 25—Primary Industries (Customs) Charges Amendment Regulations 2007 (No. 1) [F2007L00511]*.

Primary Industries (Excise) Levies Act—Select Legislative Instrument 2007 No. 26—Primary Industries (Excise) Levies Amendment Regulations 2007 (No. 1) [F2007L00508]*.

Primary Industries Levies and Charges Collection Act—Select Legislative Instrument 2007 No. 27—Primary Industries Levies and Charges Collection Amendment Regulations 2007 (No. 1) [F2007L00513]*.


Quarantine Act—Select Legislative Instrument 2007 No. 28—Quarantine Amendment Regulations 2007 (No. 1) [F2007L00552]*.

Remuneration Tribunal Act—Select Legislative Instrument 2007 No. 31—Remuneration Tribunal (Miscellaneous Provisions) Amendment Regulations 2007 (No. 1) [F2007L00554]*.


Social Security Act—

Social Security (Australian Government Disaster Recovery Payment) Determination 2007 (No. 2) [F2007L00651]*.

Social Security (Australian Government Disaster Recovery Payment) Determination 2007 (No. 3) [F2007L00689]*.

Social Security (Deeming Threshold Rates) Determination (DEST) 2007 [F2007L00705]*.

Social Security (Deeming Threshold Rates) Determination (DEWR) 2007 [F2007L00659]*.

Social Security (Deeming Threshold Rates) (FaCSIA) Determination 2007 [F2007L00659]*.


Sydney Airport Curfew Act—Dispensation report 03/07.

Taxation Determinations—

Addendum—TD 1999/37.

TD 2007/1 and TD 2007/2.

Taxation Rulings—


TR 2007/1.

Therapeutic Goods Act—


Therapeutic Goods (Emergency) Exemption 2007 (No. 1) [F2007L00558]*.

Therapeutic Goods Order No. 70B—Standards for Export Only Medicine [F2007L00555]*.


Governor-General’s Proclamation—

Commencement of Provisions of an Act


* Explanatory statement tabled with legislative instrument.
Tabling

The following government documents were tabled:


Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 April to 30 June 2006.

Native Title Act 1993—Native title representative bodies—Ngaanyatjarra Council (Aboriginal Corporation)—Report for 2005-06.

QUESTION ON NOTICE

The following answers to questions were circulated:

Consultancy Services

(Question No. 601)

Senator Chris Evans asked the Minister representing the Minister for the Environment and Water Resources, upon notice, on 4 May 2005:

With reference to the department and/or its agencies:

(1) For each financial year from 2000-01 to 2004-05 to date:

(a) how many, and what was the cost of consultants engaged by the department and/or its agencies to conduct surveys of community attitudes to departmental programs; and

(b) for each consultancy:

(i) what was the cost, and

(ii) who was the consultant, and

(iii) was this consultant selected by tender; if so, was the tender select or open; if not, why not.

(2) Were any of the surveys released publicly; if so, in each case, when was the material released; if not, in each case, what was the basis for not releasing the material publicly.

Senator Abetz—The Minister for the Environment and Water Resources has provided the following answer to the honourable senator’s question:

(1) (a) For the financial years from 2000-01 to 2004-05 there were 26 consultancies with a total cost of $1,795,583.45.

(b) for each consultancy: (i) – (iii) see following tables.

2000 – 2001

<table>
<thead>
<tr>
<th>Program</th>
<th>Name of consultant</th>
<th>Cost</th>
<th>Selection process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Heritage Trust</td>
<td>Wirthlin Worldwide</td>
<td>$48,723</td>
<td>Select tender</td>
</tr>
<tr>
<td>GBRMPA</td>
<td>AEC</td>
<td>$5,798.10</td>
<td>Select tender</td>
</tr>
</tbody>
</table>

2001 – 2002

<table>
<thead>
<tr>
<th>Program</th>
<th>Name of consultant</th>
<th>Cost</th>
<th>Selection process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Heritage Trust</td>
<td>Wirthlin Worldwide</td>
<td>$149,684</td>
<td>Select tender</td>
</tr>
<tr>
<td>Threatened Species</td>
<td>Wirthlin Worldwide</td>
<td>$9,900</td>
<td>Select tender</td>
</tr>
<tr>
<td>GBRMPA</td>
<td>The Marketing Professionals</td>
<td>$6,990</td>
<td>Open tender</td>
</tr>
</tbody>
</table>

2002 – 2003

<table>
<thead>
<tr>
<th>Program</th>
<th>Name of consultant</th>
<th>Cost</th>
<th>Selection process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Heritage Trust</td>
<td>Open Mind Research Group</td>
<td>$65,450</td>
<td>Select tender</td>
</tr>
<tr>
<td>EPBC Act</td>
<td>Millward Brown Australia</td>
<td>$40,000</td>
<td>Select tender</td>
</tr>
<tr>
<td>Waste Oil</td>
<td>Millward Brown Australia</td>
<td>$66,342.40</td>
<td>Select tender</td>
</tr>
<tr>
<td>National Pollutant Inventory</td>
<td>Consumer Contact</td>
<td>$32,000</td>
<td>Select tender</td>
</tr>
<tr>
<td>GBRMPA</td>
<td>AEC</td>
<td>$12,336.50</td>
<td>Open tender</td>
</tr>
<tr>
<td>GBRMPA</td>
<td>Futureye</td>
<td>$5,940</td>
<td>Open tender</td>
</tr>
</tbody>
</table>
Foreign Affairs and Trade: Sponsored Travel
(Question Nos 871 and 873 Supplementary)

Senator Chris Evans asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 6 May 2005:

(1) For each of the financial years 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 to date, can details be provided of all privately or commercially sponsored travel, including cost and sponsor for: (a) the Minister; (b) the Minister’s family; (c) the Minister’s personal staff; and (d) officers of the Minister’s department.

Senator Coonan—The Minister for Foreign Affairs, on behalf of himself and the Minister for Trade, has provided the following answer to the honourable senator’s question:

(1) (a) and (b) has been referred to the Special Minister for State to answer on behalf of all Ministers.

(c) and (d) I consider that the preparation of answers would involve a significant diversion of resources and, in the circumstances, I do not consider that the additional work can be justified. It should be noted that all Ministerial staff have complied with requirements relating to them set out in the Guide to Key Elements of Ministerial Responsibility.

Australia-Indonesia Extradition Treaty
(Question No. 1589)

Senator Milne asked the Minister for Justice and Customs, upon notice, on 15 February 2006:

QUESTIONS ON NOTICE
(1) Could the Government have extradited Abu Quassey from Indonesia to face charges over SIEV X under the Australia-Indonesia extradition treaty; if not, why not; if so, why did the Government not press for his extradition.

(2) Could the Government have extradited anyone else from Indonesia to face charges over SIEV X under the Australia-Indonesia extradition treaty; if not, why not; if so, why did the Government not press for their extradition.

(3) Could the Government have extradited Abu Quassey from Indonesia to face charges over SIEV X independently of the Australia-Indonesia extradition treaty; if not, why not; if so, why did the Government not press for his extradition.

(4) Could the Government have extradited anyone else from Indonesia to face charges over SIEV X independently of the Australia-Indonesia extradition treaty; if not, why not; if so, why did the Government not press for their extradition.

(5) Could the Government have extradited Abu Quassey from Egypt to face charges over SIEV X despite the fact that Australia has no extradition treaty with Egypt; if not, why not; if so, why did the Government not press for his extradition.

(6) Has anyone been prosecuted in Indonesia in relation to the sinking of SIEV X; if so, can details of the outcome of any such prosecutions be provided.

(7) Has anyone been prosecuted in any other country in relation to the sinking of SIEV X; if so, can details of the outcomes of any such prosecutions be provided.

Senator Ellison—The answer to the honourable senator’s question is as follows:

(1) As I said in answer to Question on Notice 1229 on 11 August 2003, on 6 February 2003, at my direction and under cover of a letter from me, Australian officials presented to Indonesian authorities a request for the provisional arrest of Abu Quassey. The Prime Minister also raised the extradition of Abu Quassey in a meeting with the Indonesian President on 15 February 2003. I wrote to the Indonesian Minister for Justice and Human Rights again about this issue on 17 February 2003 and the Attorney-General raised it with the Indonesian Minister during the Australia–Indonesia Ministerial Forum on 11 March 2003.

Also, on 11 March 2003 the Indonesian Minister for Justice and Human Rights sent me a letter formally indicating that Indonesia would not extradite Abu Quassey to Australia.

(2) Australia sought the extradition of all persons for whom there was sufficient evidence to support prosecution in Australia.

(3) No. Indonesian law requires that, where a treaty exists, the Treaty governs extradition.

(4) Refer to answer 3.

(5) Australia is able to make a request to any country. In the absence of a treaty, it is a matter for the domestic law in the foreign country to determine whether the country can agree to Australia’s extradition request.

Following the deportation of Abu Quassey from Indonesia to Egypt on 24 April 2003, the Australian Government sent a request to Egypt for his extradition to Australia.

Abu Quassey is an Egyptian citizen. Egypt does not extradite its nationals.

Egypt commenced a prosecution of Abu Quassey for offences related to the SIEV X tragedy. On 27 December 2003, Quassey was convicted in Egypt for these offences. Quassey appealed this decision of the Egyptian court and, on 24 November 2004, he was sentenced to five years and three months imprisonment.

While Australia would have preferred Quassey to face justice in an Australian court, Australia offered Egypt as much assistance as possible to assist with the prosecution of Quassey.
Australia welcomed the prosecution and subsequent conviction of Quassey in Egypt for offences related to the SIEV X tragedy.

(6) I am advised that there are no confirmed cases in support of any prosecutions in Indonesia related to the SIEV X tragedy.

(7) I am aware of two prosecutions in other countries related to the sinking of SIEV X.

Abu Quassey was convicted in Egypt of offences related to the SIEV X tragedy. On 24 November 2004, he was sentenced on appeal to five years and three months imprisonment.

Khaleed Shnafy Daoed was extradited from Sweden to Australia on 7 November 2003 for offences related to SIEV X. He was convicted of these offences, and, on 14 July 2005, he was sentenced to nine years imprisonment.

Post-Budget Function
(Question No. 1895)

Senator Milne asked the Minister representing the Minister for the Environment and Water Resources, upon notice, on 6 June 2006:

Did the Minister host a post-budget function after the release of the 2006-07 Commonwealth Budget on 9 May 2006; if so:

(a) where was the function held;
(b) who was invited to the function;
(c) who attended the function;
(d) what was the cost of hosting the function;
(e) was the cost charged to the Commonwealth; if not, to whom was it charged;
(f) was a ticket price charged; if so what was the ticket price;
(g) if no ticket price was charged, was a donation requested;
(h) how much revenue was collected by way of tickets charged or donations received; and
(i) to whom was the revenue paid.

Senator Abetz—The Minister for the Environment and Water Resources has provided the following answer to the honourable senator’s question:

Nil.

Post-Budget Function
(Question No. 1901)

Senator Milne asked the Minister representing the Minister for Human Services, upon notice, on 6 June 2006:

Did the Minister host a post-budget function after the release of the 2006-2007 Commonwealth Budget on 9 May 2006; if so:

(a) where was the function held;
(b) who was invited to the function;
(c) who attended the function;
(d) what was the cost of hosting the function;
(e) was the cost charged to the Commonwealth; if not, to whom was it charged;
(f) was a ticket price charged; if so, what was the ticket price;
(g) if no ticket price was charged, was a donation requested;
(h) how much revenue was collected by way of tickets charged or donations received; and
(i) to whom was the revenue paid.

Senator Kemp—The Minister for Human Services has provided the following answer to the honourable senator’s question:
No, I did not host a post-budget function after the release of the 2006-2007 Commonwealth Budget.

Post-Budget Function
(Question No. 1904)

Senator Milne asked the Minister representing the Minister for Small Business and Tourism, upon notice, on 6 June 2006:
Did the Minister host a post-budget function after the release of the 2006-2007 Commonwealth Budget on 9 May 2006; if so:
(a) where was the function held;
(b) who was invited to the function;
(c) who attended the function;
(d) what was the cost of hosting the function;
(e) was the cost charged to the Commonwealth; if not, to whom was it charged;
(f) was a ticket price charged; if so, what was the ticket price;
(g) if no ticket price was charged, was a donation requested;
(h) how much revenue was collected by way of tickets charged or donations received; and
(i) to whom was the revenue paid.

Senator Minchin—The Minister for Small Business and Tourism has provided the following answer to the honourable senator’s question:
The Minister for Small Business and Tourism hosted a private function on 9 May 2006 at no cost to the Commonwealth.

Post-Budget Function
(Question No. 1908)

Senator Milne asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 6 June 2006:
Did the Minister host a post-budget function after the release of the 2006-2007 Commonwealth Budget on 9 May 2006; if so:
(a) where was the function held;
(b) who was invited to the function;
(c) who attended the function;
(d) what was the cost of hosting the function;
(e) was the cost charged to the Commonwealth; if not, to whom was it charged;
(f) was a ticket price charged; if so, what was the ticket price;
(g) if no ticket price was charged, was a donation requested;
(h) how much revenue was collected by way of tickets charged or donations received; and
(i) to whom was the revenue paid.
Senator Ellison—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

The Minister for Veterans’ Affairs did not host any portfolio post-budget function on 9 May 2006. However a pre-budget function was hosted by the Minister on 9 May 2006 for representatives of ex-service organisations as has occurred in previous years.

Australian Council of Trade Unions Advertisements
(Question No. 2314)

Senator Wong asked the Minister representing the Prime Minister, upon notice, on 8 August 2006:

Has the Prime Minister sought advice from: (a) the department; and/or (b) the Department of Employment and Workplace Relations; and/or (c) the Office of Workplace Services; and/or (d) any other sources about the circumstances of any workers that have appeared in Australian Council of Trade Unions advertisements opposing the Government’s industrial relations legislation; if so: (a) can details be provided including the date(s) advice was sought and the date(s), source(s) and the form(s) of any advice received in response to the request; and (b) is the Minister aware of whether the information he received was different in form or substance to that which was provided to the workers who appeared in the advertisements.

Senator Minchin—The Prime Minister has provided the following answer to the honourable senator’s question:

Statements on workplace relations and the basis on which I make them are public.

Aviation: Airport Emergency Plans
(Question No. 2382)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 15 August 2006:

With reference to the answer to question on notice no.1817 (Senate Hansard, 9 August 2006, p.108) regarding Civil Aviation Safety Regulation (CASR) Part 139:

(1) In relation to emergency plan testing at Canberra, Sydney, Melbourne, Darwin, Bankstown and Launceston airports: (a) what was the nature of the exercises at these airports; (b) how were the exercises assessed; (c) what were the outcomes; and (d) what agencies were involved in the exercises.

(2) In relation to the auditing of aerodrome operating procedures: (a) how often are aerodrome operating procedures audited; and (b) for each of the financial years 2003-04, 2004-05 and 2005-06 which airports have been identified as having an overdue aerodrome emergency exercise.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) The Civil Aviation Safety Authority (CASA) has provided the details summarised in the table below. This information was extracted from the Aerodrome Emergency Exercise (AEE) Reports produced by the aerodrome operators concerned.
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Location and Date of most recent exercise</th>
<th>Nature of exercise</th>
<th>Method of assessment</th>
<th>Outcome</th>
<th>Agencies attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA June 2005</td>
<td>Test the set up of the emergency operations centre in a field exercise</td>
<td>Views from representatives of participating agencies and the Aerodrome Emergency Committee</td>
<td>A successful exercise that identified opportunities for improvement in facilities and procedures</td>
<td>ACT Fire Brigade, Ambulance and Health/Community Care, airlines, Australian Rural Fire Fighting Service (ARFFS), Air Traffic Control (ATC), Australian Federal Police (AFP), Australian Protective Service (APS), Red Cross, Australian Transport Safety Bureau (ATSB), Canberra International Airport, ACT Department of Education, Youth and Family Services, Department of Foreign Affairs and Trade (DFAT), Department of Transport and Regional Services (DOTARS), Royal Australian Air Force (RAAF), Emergency Services Authority</td>
</tr>
<tr>
<td>SYDNEY October 2006</td>
<td>Test command, control and response to full emergency/crash on airport and test passenger reception processes</td>
<td>Referees from participating agencies and Chief Fire Officer Heathrow</td>
<td>A very successful exercise especially in relation to coordination between agencies</td>
<td>Sydney Airport Corporation Limited, NSW Police, ARFFS, QANTAS, NSW Fire Brigade, NSW Department of Health, NSW Ambulance Service, State Emergency Management Committee, Salvation Army, Airport Chaplains, AFP, APS, Australian Customs Service (Customs), Australian Quarantine and Inspection Service (AQIS), Department of Immigration and Multicultural Affairs (DIMA)</td>
</tr>
<tr>
<td>MELBOURNE November 2005</td>
<td>Test the Aerodrome Emergency Plan (AEP) in a multi-agency response to an aircraft incident on airport</td>
<td>Referees from each participating agency</td>
<td>A successful exercise that identified opportunities for improvement in facilities and procedures</td>
<td>ATC, ARFFS, Melbourne Airport, Victoria Police, Metropolitan Ambulance and Fire Services, Malaysian Airlines, QANTAS, Customs, AQIS, Red Cross, Salvation Army, AFP, APS</td>
</tr>
<tr>
<td>Location and Date of most recent exercise</td>
<td>Nature of exercise</td>
<td>Method of assessment</td>
<td>Outcome</td>
<td>Agencies attending</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td>---------</td>
<td>--------------------</td>
</tr>
<tr>
<td>DARWIN October 2005</td>
<td>Test response and coordination in relation to a crash on airport</td>
<td>Views from representatives from each participating agency</td>
<td>Successful exercise that identified opportunities for improvement of the AEP</td>
<td>Darwin International Airport, NT Police, RAAF ATC, St. Johns Ambulance, NT Emergency Services, RAAF Darwin, Airlnorth Regional, Red Cross, Welfare agencies</td>
</tr>
<tr>
<td>BANKSTOWN May 2004</td>
<td>Ground collision of 2 aircraft</td>
<td>Umpires from NSW fire brigade, NSW police and Ambulance service of NSW</td>
<td>Successful exercise that identified opportunities for review and improvement of AEP</td>
<td>Bankstown Airport Ltd, AirServices Australia, NSW Police, NSW Fire Brigade, Ambulance Service of NSW</td>
</tr>
<tr>
<td>LAUNCESTON April 2006</td>
<td>Crash off airport</td>
<td>Referees from 4 of the participating agencies</td>
<td>Successful exercise that identified minor areas for improvement in facilities and procedures</td>
<td>Tasmania Police, Tasmania Ambulance, Tasmania Fire Service, State Emergency Services, AirServices Australia, ARFFS, Salvation Army, Red Cross, Department of Health, Airlines and Airport Tenants</td>
</tr>
</tbody>
</table>

(2) (a) CASA has advised that the locations in question (Canberra, Sydney, Melbourne, Darwin, Bankstown and Launceston airports) are audited annually in accordance with the Surveillance Procedures Manual. Aerodromes, such as these, which are used for Regular Public Transport (RPT) operations using aircraft with more than nine passenger seats are audited annually. Other RPT aerodromes are audited every two years.

(b) Aerodrome Emergency Exercises are only mandatory at certified aerodromes. Of the 152 certified aerodromes, 12 had overdue exercises from 2003-04, 11 from 2004-05 and seven from 2005-06 as listed below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Aerodromes identified as having an overdue AEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-2004</td>
<td>Wollongong, Brewarrina, Cloncurry, Kowanyama, Toowoomba, Kingaroy, Bathurst, Coffs Harbour, Carnarvon, Esperance, Leonora, Wiluna</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Cooktown, Emerald, Alice Springs, Olympic Dam, Orange, Derby, Onslow</td>
</tr>
</tbody>
</table>

Indigenous Funding and Governance Reform Group: Panels of Experts

(Question No. 2441)

Senator Chris Evans asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 25 August 2006:

With reference to panels of experts used by the Office of Indigenous Policy Co-ordination and the answer to question no. 92 taken on notice during the 2006-07 Budget estimates hearings of the Community Affairs Legislation Committee, which stated that funding was not allocated to each panel but is instead allocated to specific projects, which may be undertaken by panel members: For each project to date, what is: (a) the name and purpose of the project; (b) the location of the community(s) that will participate; (c) the name of the expert(s) that has undertaken the project and how that expert was se-
Senator Scullion—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

The following table details the information sought on the Panels of Experts funded by FaCSIA through the Indigenous Funding and Governance Reform Group (previously Performance Group of the OIPC) as at 1 September 2006. The material is sorted by the state and territory in which the project has been or is being managed.

How the expert was selected varied across funded projects. In selecting a consultant from the relevant Panel to perform work, OIPC officers may either:

Contact the panel member whose panel arrangement covers the services sought and who offers the best price, taking into account any other relevant factors such as the timeframe available to do the job and the quality of the property, services or personnel offered; or

Where these criteria have been met by more than one panel member, officers may contact panel members whose panel arrangements cover the services sought and seek a refined offer for the particular purchase

Source: Procurement Guidance: Mandatory Procurement Procedures; Appendix B – Panels:

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>Purpose of Project</th>
<th>Location of community that has or will participate</th>
<th>Contractor</th>
<th>Start - Finish Date</th>
<th>Amount of funding approved by delegate</th>
<th>Amount of funding to be spent on expert(s) fees and costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NSW</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Brewarrina community governance</td>
<td>Community capacity building in financial management and governance</td>
<td>Brewarrina NSW</td>
<td>Participatory Corporate Development Pty Ltd</td>
<td>17/10/05 - 30/6/06</td>
<td>$140,500</td>
<td>$140,500</td>
</tr>
<tr>
<td>2 ** NSW ICC Strategic Planning Exercise</td>
<td>Facilitate one day workshop to scope roles and functions of NSW ICC Management Team</td>
<td>N/A</td>
<td>Executive Central</td>
<td>19/08/05 (1 day)</td>
<td>$3,300</td>
<td>$3,300</td>
</tr>
<tr>
<td>3 ** Workshop for the NSW ICC and NSW DAA management group Coonabarabran Indigenous community Social Action Plan</td>
<td>Joint workshop with State DAA on working arrangements in whole-of-government context</td>
<td>N/A</td>
<td>Executive Central</td>
<td>12/5/06 - 26/5/06</td>
<td>$6,600</td>
<td>$6,600</td>
</tr>
<tr>
<td>5 Mothers Against Drugs project</td>
<td>Develop Business Plan for Mothers Against Drugs project</td>
<td>Lake Macquarie</td>
<td>GRM International</td>
<td>9/3/06 - 12/5/06</td>
<td>$18,480</td>
<td>$18,480</td>
</tr>
<tr>
<td>6 Community Planning for Albury-Wodonga</td>
<td>Social Action Plan for the Albury-Wodonga Indigenous Community</td>
<td>Albury/Wodonga</td>
<td>Atkinson Kerr and Associates</td>
<td>18/7/06 - 29/8/06</td>
<td>$33,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Purpose of Project</td>
<td>Location of community that has or will participate *</td>
<td>Contractor</td>
<td>Start - Finish Date</td>
<td>Amount of funding approved by delegate</td>
<td>Amount of funding to be spent on expert(s) fees and costs</td>
</tr>
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<td>---------------------</td>
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<td>-------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>7 Community Planning for Orange</td>
<td>Development of Orange Indigenous Community Social Action Plan</td>
<td>Orange</td>
<td>Langford</td>
<td>4/9/06-29/2/07</td>
<td>$72,630</td>
<td>$72,630</td>
</tr>
<tr>
<td>8 Community Planning for Bathurst</td>
<td>Development of Community Action Plan for the Bathurst Indigenous Community</td>
<td>Bathurst</td>
<td>Assai</td>
<td>18/9/06-27/10/06</td>
<td>$29,920</td>
<td>$29,920</td>
</tr>
<tr>
<td>9 Coonabarabran engagement strategy</td>
<td>Assist Coonabarabran Indigenous community to strengthen capacity of CWP and develop linkages with wider community, service providers and partner agencies</td>
<td>Coonabarabran</td>
<td>Western Land Planning</td>
<td>29/5/06-31/7/06</td>
<td>$14,300</td>
<td>$14,300</td>
</tr>
<tr>
<td>10 Review of Beagle Bay Community Inc</td>
<td>To conduct a financial and operational review of Beagle Bay Community Inc</td>
<td>Beagle Bay Community</td>
<td>John Thurtell Consulting Services</td>
<td>11/07/05-14/08/05</td>
<td>$72,397</td>
<td>$72,397</td>
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<tr>
<td>11 Review of Beagle Bay Community Inc - extension of contract</td>
<td>Financial and operational review of Beagle Bay Community Inc - extension of contract</td>
<td>Beagle Bay Community</td>
<td>John Thurtell Consulting Services</td>
<td>15/08/05-26/08/05</td>
<td>$15,400</td>
<td>$15,400</td>
</tr>
<tr>
<td>12 Beagle Bay Action Plan</td>
<td>Coordination of essential services delivery to Beagle Bay community</td>
<td>Beagle Bay Community</td>
<td>John Thurtell Consulting Services</td>
<td>2/11/05-13/12/05</td>
<td>$68,734</td>
<td>$68,734</td>
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<tr>
<td>13 Beagle Bay Action Plan - Extension</td>
<td>Continuation of coordination of essential services delivery to Beagle Bay community</td>
<td>Beagle Bay Community</td>
<td>John Thurtell Consulting Services</td>
<td>20/12/05-27/01/06</td>
<td>$33,550</td>
<td>$33,550</td>
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<tr>
<td>14 Kundjat Djaru Corporation and Kundat Djaru Store</td>
<td>Provide an assessment of current financial status of Kundat Djaru Aboriginal Corporation and the Kundat Djaru Community Store</td>
<td>Kundat Djaru (Ringers Soak)</td>
<td>Michael Walshe and Associates</td>
<td>30/11/05-19/12/05</td>
<td>$31,734</td>
<td>$31,734</td>
</tr>
<tr>
<td>15 East Kimberley Regional Partnership Agreement - Community Broker</td>
<td>To facilitate community engagement for the East Kimberley Regional Partnership Agreement</td>
<td>East Kimberley region including the communities of Kununurra, Wyndham, Halls Creek, Warmun, and some outstations</td>
<td>Wunan Foundation</td>
<td>19/10/05-28/2/06</td>
<td>$52,800</td>
<td>$52,800</td>
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<tr>
<td>Name of the Project</td>
<td>Purpose of Project</td>
<td>Location of community that has or will participate *</td>
<td>Contractor</td>
<td>Start - Finish Date</td>
<td>Amount of funding approved by delegate</td>
<td>Amount of funding to be spent on expert(s) fees and costs</td>
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<tr>
<td>16 Yalata comprehensive SRA</td>
<td>To identify key priorities and work with community, Ceduna ICC and other partners to develop and implement responsibilities for comprehensive SRA</td>
<td>Yalata</td>
<td>STF Associates</td>
<td>12/4/06 - 12/10/06</td>
<td>$126,900</td>
<td>$122,400</td>
</tr>
<tr>
<td>17 Community Broker for Raukkan Community</td>
<td>Community broker to assist community build capacity, good citizenship and encourage employment/enterprise beyond CDEP, childcare and youth activities</td>
<td>Raukkan - also known as Point McLeay</td>
<td>Langford</td>
<td>30/05/06 - 30/05/07</td>
<td>$120,000</td>
<td>$77,582</td>
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<tr>
<td>18 Anangu Pitjantjatjara Yankunytjatjara (APY) Caring for Country and Youth Activities Regional Partnership Agreements</td>
<td>To develop RPAs focused on Caring for Country and Youth Activities</td>
<td>APY Land Communities: Amata, Fregeon, Indulkana, Kalka and Papatjatjara, Mimili, Ernabella, Umwala, Kermore Park, Watarru, Kanpi and Nyapari</td>
<td>Dixon Partnership Solutions</td>
<td>9/6/06 - 31/1/07</td>
<td>$280,000</td>
<td>$204,669</td>
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<tr>
<td>19 Project Management of Restoring Raukkan’s Historical Church</td>
<td>Restore historical community church to build community strength (and potential tourism opportunities) and to reduce social problems by establishing youth diversion activities</td>
<td>Raukkan - also known as Point McLeay</td>
<td>GRM International</td>
<td>18/05/06 - 18/05/07</td>
<td>$100,000</td>
<td>$42,625</td>
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<td>QLD</td>
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<tr>
<td>20 Community consultation forums across Roma region</td>
<td>Facilitation of regional engagement modelling in Roma region</td>
<td>Communities in Roma region</td>
<td>Alex J Dodd &amp; Associates</td>
<td>11/07/05 - 30/10/05</td>
<td>$47,646</td>
<td>$47,646</td>
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<tr>
<td>21 Community consultations for Regional Indigenous Engagement Arrangements (RIEA)</td>
<td>Conduct community consultations workshops in SE Qld to detail options for engagement/representative mechanisms</td>
<td>Ipswich, Bayside, Gold Coast, Beaudesert, Caboolture, Zillmere, Coolum, Caloundra, Esk, Inala</td>
<td>David Hollinsworth and Associates</td>
<td>5/12/05 - 30/06/06</td>
<td>$37,500</td>
<td>$29,700</td>
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<tr>
<td>Name of the Project</td>
<td>Purpose of Project</td>
<td>Location of community that has or will participate</td>
<td>Contractor</td>
<td>Start - Finish Date</td>
<td>Amount of funding approved by delegate</td>
<td>Amount of funding to be spent on expert(s) fees and costs</td>
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<tr>
<td>22 Community Capacity Building in St George and Dirranbandi</td>
<td>Identifying community SRA priorities</td>
<td>St George and Dirranbandi</td>
<td>Alex J Dodd &amp; Associates</td>
<td>1/3/06 - 30/7/06</td>
<td>$48,235</td>
<td>$48,235</td>
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<tr>
<td>23 Community Capacity Building in Dalby</td>
<td>Identifying community SRA priorities</td>
<td>Dalby</td>
<td>Alex J Dodd &amp; Associates</td>
<td>1/3/06 - 31/8/06</td>
<td>$42,845</td>
<td>$42,845</td>
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<tr>
<td>24 Community Capacity Building in Cherbourg and Gympie</td>
<td>Identifying community SRA priorities</td>
<td>Cherbourg and Gympie</td>
<td>Natural Partners</td>
<td>01/03/06 - 30/09/06</td>
<td>$67,100</td>
<td>$67,100</td>
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<tr>
<td>25 Planning for Mornington Island</td>
<td>Develop single planning reference document for Mornington Island</td>
<td>Mornington Island</td>
<td>John Thurtell Consulting Services</td>
<td>12/3/06 - 8/4/06</td>
<td>$12,430</td>
<td>$12,430</td>
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<tr>
<td>26 Planning for Mornington Island - continuation</td>
<td>To carry on with the work undertaken in the initial consultation on the Island</td>
<td>Mornington Island</td>
<td>John Thurtell Consulting Services</td>
<td>16/4/06 - 30/6/06</td>
<td>$87,890</td>
<td>$87,890</td>
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<tr>
<td>27 Research and technical advice in relation to Palm Island</td>
<td>Project 1. Palm Island Profiling and Service Mapping. Project 2. Scoping for a Place Management Model</td>
<td>Palm Island</td>
<td>Participatory Corporate Development Pty Ltd (trading as Jalay)</td>
<td>12/5/06 - 31/08/06</td>
<td>$66,000</td>
<td>$66,000</td>
</tr>
<tr>
<td>28 Review of Gungarde Community Centre Aboriginal Corporation NT</td>
<td>Review operations, funding and capacity of Corporation</td>
<td>Cooktown</td>
<td>Alex J Dodd &amp; Associates</td>
<td>10/12/05 - 31/1/06</td>
<td>$14,950</td>
<td>$14,425</td>
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<tr>
<td>29 Kalaluk/Minmararma Crab Farm SRA</td>
<td>Establish mud crab farm and develop management systems and governance training for community leaders</td>
<td>Gwalwa Da-ramki Assoc (Kalaluk/Minmararma)</td>
<td>ACIL Tasman Pty Ltd</td>
<td>06/06/05 - 31/12/05</td>
<td>$52,360</td>
<td>$52,360</td>
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<tr>
<td>30 Shared Responsibility Agreement (SRA) Development and Implementation Assistance</td>
<td>Assist Nuhunbuy ICC in development and implementation of SRAs for Laynhapuy Homelands, Numbulwar Community and Dharapatjpi Homelands</td>
<td>Communities in North East Arnhem Land</td>
<td>Mike Walsh and Associates</td>
<td>19/6/06 - 15/9/06</td>
<td>$45,000</td>
<td>$30,849</td>
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<tr>
<td>31 Thamarrurr Regional Council</td>
<td>Advice to Thamarrurr Regional Council on implementing initiatives in key priority areas in the COAG Trial</td>
<td>Thamarrurr Regional Council (Wadeye)</td>
<td>ACIL Tasman Pty Ltd</td>
<td>01/05/05 - 31/12/05</td>
<td>$189,000</td>
<td>$189,000</td>
</tr>
</tbody>
</table>
Name of the Project | Purpose of Project | Location of community that has or will participate * | Contractor | Start - Finish Date | Amount of funding approved by delegate | Amount of funding to be spent on expert(s) fees and costs
--- | --- | --- | --- | --- | --- | ---
NATIONAL 32 ** Mt Isa ICC coaching and mentoring | Develop skills to deliver and implement core business in region | N/A | Directions for Change | 15/09/05 - 16/03/06 | $5,691 | $5,691
33 2005/06 Indigenous Women’s Leadership Program | Facilitate training and leadership program events and contribute to development of the program | All States and Territories | Anne Dunn - Mi Murren Enterprises | 08/05 - 06/06 | $153,450 | $103,950
34 National coordinator for Minerals Council of Australia, Memorandum of Understanding (MOU) | Establish project and build capability within member companies, communities and other key sectors | (WA) East Kimberley; Kununurra; Pilbara; Port Hedland; Newman and Karratha/Roebourne; Wiluna; Boddington; (NT) Tanami; (Qld) Western Cape York; Weipa | Cooperative Change | 01/01/06 - 30/06/06 | $104,280 | $104,280

International Thermonuclear Experimental Reactor Project (Question No. 2473)

Senator Milne asked the Minister representing the Prime Minister, upon notice, on 5 September 2006:

(1) What is the status of the Government’s evaluation of Australian participation in the next stage of the International Thermonuclear Experimental Reactor (ITER) project.

(2) Did the Government, for example, set up a joint departmental committee; if not, why not.

(3) With reference to the Government’s involvement in an international workshop, ‘Towards an Australian involvement in ITER’, scheduled for October 11 to 13 2006, in Sydney: (a) who will comprise the Government delegation that will attend the workshop; and (b) what are the names of the delegates.

Senator Minchin—The Prime Minister has provided the following answer to the honourable senator’s question:

(1) The government is not evaluating its participation in the ITER project. The Review of Uranium Mining, Processing and Nuclear Energy considered fusion energy.

(2) No.

(3) Officials from the Secretariat of the Uranium Mining, Processing, Nuclear Energy Review, the Australian Nuclear Science and Technology Organisation, and the Department of Education, Science and Training attended the workshop, which was opened by the Chief Scientist.
Airspace Management Contract
(Question No. 2496)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 18 September 2006:

With reference to the answer to question on notice no. 2127 concerning the Australian Federal Police (AFP) investigation of matters related to the airspace management contract between Airservices Australia and the Government of the Solomon Islands:

(1) What additional material was made available to the AFP by Airservices Australia in May 2006 which resulted in a renewed investigation of this matter?

(2) What was the source of the new material?

(3) When was the new material discovered?

(4) When was the discovery of the new material brought to the attention of: (a) the Minister and/or the Minister’s office; and (b) the department?

(5) When the Chief Executive Officer of Airservices Australia, Mr Greg Russell, issued a media release on 23 June 2006 stating that an ‘Australian Federal Police’ investigation in 2005 did not identify any information or activity that constituted an offence why did Mr Russell fail to disclose that:
   (a) in May 2006, Airservices Australia had requested a review of the previous investigation due to the discovery of additional material; and (b) a further investigation had been initiated.

(6) When the Minister issued a media release on 23 June 2006 announcing that ‘Internal and external investigations conducted to date have identified that Airservices Australia and its staff acted in good faith in administering this contract’, why did the Minister fail to disclose details of the 2005 AFP investigation and the referral of additional information in May 2006.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) Records relating to Airservices’ upper level airspace management contract with the Solomon Islands Government not covered in Airservices’ previous reviews.

(2) Paper files and electronic mail on the Solomon Islands upper airspace management contract.

(3) 29/30 April 2006

(4) (a) 1 May 2006
    (b) 1 May 2006

(5) (a) Mr Russell’s media statement addressed the stated view of the AFP at that time. Mr Russell was of the view that Airservices had a responsibility to refer any additional relevant information to the AFP for their consideration.

   (b) The AFP agreed to review the additional information in the context of its previous investigation and Mr Russell saw no useful purpose in speculating on a possible change to the existing AFP position on the matter.

(6) In announcing the review by the Australian National Audit Office of Airservices’ management of the Solomon Island contracts, the Minister acknowledged concerns about the administration of the contracts. It was not necessary to go into detail that might have pre-empted the Auditor General’s work.
Exclusive Brethren
(Question No. 2523)

Senator Bob Brown asked the Minister representing the Prime Minister, upon notice, on 5 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 Minchin—The Prime Minister has provided the following answer to the honourable senator’s question:
Yes. The Prime Minister meets many organisations and individuals to discuss issues. Such discussions are conducted in a proper manner. Government decisions are made on the merits of the case concerned.

Exclusive Brethren
(Question No. 2524)

Senator Bob Brown asked the Minister representing the Minister for Transport and Regional Services, 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 Johnston—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:
No.

Exclusive Brethren
(Question No. 2534)

Senator Bob Brown asked the Minister representing the Minister for Industry, Tourism and Resources, upon notice, on 4 October 2006:
With reference to meetings between the Minister and 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 Minchin—The Minister for Industry, Tourism and Resources has provided the following answer to the honourable senator’s question:
Mr Macfarlane has not met with the Exclusive Brethren.

Cluster Bombs
(Question No. 2616 amended)

Senator Allison asked the Minister representing the Minister for Defence, upon notice, on 7 November 2006:
(1) Does the Government possess a stockpile of cluster bombs as is alleged by the Cluster Munition Coalition; if so: (a) how many are in the stockpile: (i) in total, and (ii) of each type; (b) what are the different types found in the stockpile; (c) for each type in the stockpile: (i) what proportion of the bomblets, on average, are left unexploded upon detonation, and (ii) what is the approximate scatter area; (d) is it possible, or likely, that the bomblets within any of the cluster bombs could be mis-
taken by children as small toys, if they are left unexploded in fields or residential areas; (e) when were the cluster bombs obtained; (f) from which company or which nation were the cluster bombs obtained; (g) what other countries, if any, are storing some or all of the stockpile; (h) what is the approximate pecuniary value of the stockpile; (i) why does the Government possess the stockpile; and (j) does the Government intend to retain the stockpile indefinitely.

(2) If the Government does not possess a stockpile of cluster bombs, has the Government ever possessed such a stockpile in the past.

(3) Has the Government ever used a cluster bomb as a weapon of war or for testing purposes; if so: (a) how many have been used; (b) where have they been used; and (c) what types have been used.

(4) Has the Government ever produced, or contracted an Australian company to produce, cluster bombs.

(5) Would the Government support multilateral moves to place an international ban on the use, storage and construction of cluster bombs; if not, why not.

(6) Has the Government been actively involved in operations to clear populated areas of unexploded cluster bomblets.

(7) Does the Government consider the use of cluster bombs to be morally justifiable; if so, under what circumstances.

(8) Does the Government condone the use of cluster bombs by Israel in the recent conflict with Lebanon.

**Senator Ian Campbell**—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) Yes. Further to my reply of 4 December 2006 on cluster bombs, I have subsequently been advised that Defence holds two cluster bombs, as well as some cluster sub-munitions. While Defence has taken the view that the possession of two cluster bombs, along with a number of cassettes and boxes of sub-munitions, would not be considered by a reasonable person to be a "stockpile of cluster bombs", Defence currently holds:

- two Russian-made cluster bombs (containing 108 and 150 sub-munitions respectively);
- two cassettes (containing 12 Russian/former Soviet Union sub-munitions each); and
- two boxes (containing 9 and 20 Russian/former Soviet Union sub-munitions respectively).

These were acquired through our standard battlefield collection process in Afghanistan in 2001. Defence has not "used them" and has no intention of "using them". They are not part of Defence's operational weapons inventory, and are not – in either numbers or configuration – suitable for use by the ADF. Nor are they held with any of our operational munitions. The munitions were obtained to assist in the training of personnel in rendering cluster munitions safe and to assist in the development of countermeasures to cluster munitions.

Defence also holds some inert cluster bombs and inert cluster sub-munitions for the purposes of training explosive ordnance disposal specialists in the identification and disposal of such ordnance.

**Families, Community Services and Indigenous Affairs**

(Question No. 2646)

**Senator O’Brien** asked the Minister for Families, Community Services and Indigenous Affairs, 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 Scullion**—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

FaCSIA does not have an internal cost recovery system.

For total staffing levels for FaCSIA as at 30 June 2006, and salary ranges for each APS classification please refer to pages 330 and 331 of the FaCSIA Annual report 2005-2006.

**Veterans’ Affairs**

(Question No. 2650)

**Senator O’Brien** asked the Minister for Veterans’ Affairs, 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 Veterans’ Affairs has provided the following answer to the honourable senator’s question:

Department of Veterans’ Affairs

(1) (a) A costing and financial reporting capability, including an activity costing system, was introduced in my department’s Information and Communication Technology (ICT) line of business to enable internal reporting on its overall ICT financial position, as well as detailed information on individual ICT projects.

(b) The costs of instituting this system are not specifically available as it was introduced as part of bundled arrangements with IBM when my department outsourced its infrastructure services in 1997. However, on-going licences for Time Sheet Professional are $16,000 per year and incurs an administrative support cost of about $2,000 per year.

(2) (a)
(1) (a) The Memorial has an internal costing system for the provision of photographic and multimedia services. The Multi Media section provides a range of services to sections across the Memorial including conservation, VIP visits, public events, exhibitions, sales, promotional and marketing. In order for the cost of these services to be reported in accordance with the Memorial’s approved Outputs structure in budget documentation, financial statements and annual reports, an internal costing system was set up at the time of the current FMIS being implemented.

(b) The costs of instituting this system are not available but are of a small nature.

(2)
Civil Aviation Safety Authority: Procurement Manual
(Question No. 2663)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 November 2006:

With reference to the answer to CASA 08 asked at additional estimates of the Senate Rural and Regional Affairs and Transport Committee in February 2006, concerning the Civil Aviation Safety Authority Procurement Manual: (a) When was the ‘extensive re-write’ of the manual completed; and (b) can a copy of the re-written manual be provided.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(a) The extensive re-write of the procurement manual was completed in May 2006.
(b) A copy of the CASA Procurement Manual is available from the Senate Table Office.

Civil Aviation Safety Authority: Decision Assisting Tool
(Question No. 2675)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 November 2006:

(a) When was the Civil Aviation Safety Authority’s General Aviation Operations Group Decision Assistance Risk Tool implemented; and (b) how is the tool used.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(a) The Decision Assisting Tool (DAT) has not yet been implemented operationally in General Aviation Operations Group (GAOG). A trial was conducted during 2006 to determine if the proposed tool had applicability for General Aviation purposes. The results of the trial have been reported to GAOG senior management and are being assessed.
(b) The tool examines only three sources of a wide range of data CASA takes into account when forming an opinion about an air operator. The three sources are:

- Electronic Safety Incident Reports (ESIR) – which are reports generated by Air Services Australia about aviation events.
- Air Safety Incident Reports (ASIR) – which are incident reports submitted to Air Services Australia by pilots/operators.
- Service Difficulty Reports (SDR) – which are reports submitted to CASA by the industry in regard to maintenance issues.
The significant number of reports in each category has encouraged CASA to examine ways of automatically scanning the data submitted to determine if particular operators might be showing any adverse tendencies.

The tool is used to draw CASA’s attention to possible problem areas with particular operators. It does not analyse all aspects CASA takes into consideration when examining an operator’s safety performance nor is the output an absolute indication that problems exist. The tool’s output cannot therefore be used to give an overall inference that an operator presents a high risk.

A high score, either overall or for a particular reported area, prompts inspectors to examine the events driving that score to determine if a problem exists. This approach is necessary because some reports, although tagged to an operator, may actually be the result of some external factor. If the determination is made that a problem exists, then targeted actions can be initiated.

Civil Aviation Safety Authority: Media Monitoring
(Question No. 2680)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 November 2006:

(1) What sum did the Civil Aviation Safety Authority (CASA) expend on media monitoring in the 2005-06 financial year.

(2) What sum has CASA expended, to date, in the 2006-07 financial year.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) $59,360.

(2) $17,130 in 2006-07 (from 1 July to 16 November 2006).

Civil Aviation Safety Authority: Landmark Statements
(Question No. 2681)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 November 2006:

Can a copy be provided of the statements by the Civil Aviation Safety Authority (CASA) Chief Executive Officer and Deputy Chief Executive Officer described as ‘seven landmark statements to staff’ in the 2005-06 financial year in the CASA annual report for 2005-06.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The ‘seven landmark statements’ to staff in the 2005-2006 annual report are:

(1) 31 May 2006: Additional Deputy CEO position being created (a copy is available from the Senate Table Office).

(2) 10 April 2006: Details of operational changes (a copy is available from the Senate Table Office).

(3) 9 February 2006: Putting safety first (a copy is available from the Senate Table Office).

(4) 13 December 2005: The next steps in reform (a copy is available from the Senate Table Office).

(5) 25 July 2005: The review of CASA begins (a copy is available from the Senate Table Office).

(6) Transition to Centralised licensing underway (a copy is available from the Senate Table Office).

(7) 1 July 2005: CASA under review (a copy is available from the Senate Table Office).
International Civil Aviation Organisation Review
(Question No. 2682)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 November 2006:

With reference to advice in the Civil Aviation Safety Authority (CASA) annual report for 2005-06 that CASA’s support for the International Civil Aviation Organization (ICAO) was reviewed in the 2005-06 financial year due to resource constraints and organisational changes: (a) What is the outcome of the review; and (b) can details be provided of any changes in Australia’s participation in ICAO activities.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(a) The review referred to in the 2005-06 CASA Annual Report was an examination of tasks and work schedules by the area in CASA responsible for oversight of CASA’s participation in ICAO matters, to allocate available resources to critical areas of importance.

(b) Australia’s participation in ICAO is jointly managed by the Department of Transport and Regional Services, CASA and Airservices Australia. While there was no change in CASA’s overall commitment to ICAO, participation in actual activities was varied according to CASA’s priorities and the availability of relevant staff and resources.