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SITTING DAYS—2007

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

CANBERRA 103.9 FM
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. Eric Abetz
Manager of Opposition Business in the Senate—Senator Joseph William Ludwig

Senate Party Leaders and Whips

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

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

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

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

Prime Minister
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 Relations and Minister Assisting the Prime Minister for the Public Service
The Hon. Joseph Benedict Hockey MP

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

Minister for the Environment and Water Resources
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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<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
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<td>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>
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<td>Minister for the Arts and Sport</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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SHADOW MINISTRY

Leader of the Opposition
Kevin Michael Rudd MP

Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion
Julia Eileen Gillard MP

Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy
Senator Christopher Vaughan Evans

Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Senator Stephen Michael Conroy

Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House
Anthony Norman Albanese MP

Shadow Minister for Homeland Security, Shadow Minister for Justice and Customs and Shadow Minister for Territories
The Hon. Archibald Ronald Bevis MP

Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy
Christopher Eyles Bowen MP

Shadow Minister for Immigration, Integration and Citizenship
Anthony Stephen Burke MP

Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research
Senator Kim John Carr

Shadow Minister for Trade and Shadow Minister for Regional Development
The Hon. Simon Findlay Crean MP

Shadow Minister for Service Economy, Small Business and Independent Contractors
Craig Anthony Emerson MP

Shadow Minister for Multicultural Affairs, Shadow Minister for Urban Development and Shadow Minister for Consumer Affairs
Laurence Donald Thomas Ferguson MP

Shadow Minister for Transport, Roads and Tourism
Martin John Ferguson MP

Shadow Minister for Defence
Joel Andrew Fitzgibbon MP

Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts
Peter Robert Garrett MP

Shadow Minister for Veterans’ Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State
Alan Peter Griffin MP

Shadow Attorney-General and Manager of Opposition Business in the Senate
Senator Joseph William Ludwig

Shadow Minister for Sport and Recreation, Shadow Minister for Health Promotion and Shadow Minister for Local Government
Senator Kate Alexandra Lundy

Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation
Jennifer Louise Macklin MP

Shadow Minister for Foreign Affairs
Robert Bruce McClelland MP

Shadow Minister for Ageing, Disabilities and Carers
Senator Jan Elizabeth McLucas
| Shadow Minister for Federal/State Relations, Shadow Minister for International Development Assistance and Deputy Manager of Opposition Business in the House | 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 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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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

BUSINESS
Consideration of Legislation

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (9.30 am)—I move government business notice of motion No. 1:

(1) That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Migration Amendment (Border Integrity) Bill 2006, allowing it to be considered during this period of sittings.

(2) That the bill may be taken together for its remaining stages with the Migration Amendment (Review Provisions) Bill 2006 [2007].

Senator NETTLE (New South Wales) (9.30 am)—The Australian Greens oppose this motion for a number of reasons that I will briefly outline to the Senate. This motion deals with two pieces of migration legislation. One is the Migration Amendment (Border Integrity) Bill 2006. The primary component of this motion is to exempt it from the cut-off. The border integrity bill is a piece of legislation that brings in biometric facial recognition technology for use in Customs. There are questions about the capacity of that technology and the error rates associated with it which the Australian Greens believe should be explored through a Senate inquiry to ensure that we understand what the error rates are. A recent Senate inquiry looked at the issue around the access card, and the same problems with biometric technology were raised there. We would like to be able to explore that issue in a Senate inquiry.

When this legislation was debated just last night in the House of Representatives, concerns were raised about legislative creep. As it currently stands this legislation has some restrictions in it in terms of keeping information—biometric photographs of people. That information cannot be kept now, which is good, but we have not had the opportunity to get from the government the assurances that there will not be legislative creep with this legislation. So those are the concerns that the Greens have.

We are in a position to be able to support the bill but we want to be able to ask questions about that process, and this exemption from the cut-off does not allow us to do that. Clearly, if this motion proceeds and the government does force the Senate to restrict its opportunity for debate on this legislation and not hear from experts, not hear from the public, not hear from the people who know about the error rates in biometric facial technology—I do not reckon everyone here is an expert on it—then the only option left open to us will be to discuss that in the committee stage of this bill, which we will do.

We are quite happy to support this kind of legislation bringing in these proposals, but we want to hear more about how it would be implemented, what kinds of assurances there would be and what kinds of error rates we have got with the technology. That is why we would like to have the opportunity to have that discussion and debate. If the government proposes to do it this way then we will have to have that discussion in the committee stage. We are not all experts in biometric facial recognition technology and we believe that hearing from experts would be helpful to the Senate debate.

The other part of this motion is that the border integrity bill be taken together with the Migration Amendment (Review Provisions) Bill 2006 [2007]. This is one bill on which there has been a Senate inquiry and there have been recommendations out of that
inquiry—in particular, in relation to the Refugee Review Tribunal taking oral evidence. Those are recommendations which the government-dominated Senate inquiry supported and which the Greens supported and would like to see implemented.

For us the difficulty is created in the government seeking to move these two bills together, because we are supportive of the border integrity bill, but we have amendments which were put forward in recommendations from the Senate committee that we want to see implemented, and to date we have had no indication from the government that they will be supporting those amendments. That makes a difference for us in terms of how we deal with that piece of legislation. If the government does not accept its own government-dominated Senate inquiry recommendations around that issue then we will be in a position of wanting to support one piece of legislation and not the other. Therefore, we do not want the two bills to be taken together.

We are actually prepared to have the debate at the same time but, if we hear from the government a refusal to accept its own committee’s recommendations, we may want to vote differently on these two bills. Perhaps the Clerk or the chair or the minister can inform us on this. We do not mind the debate occurring on the two bills together, but we want to be able to have the vote separately, because if the government does not accept the recommendations then we may need to do that.

Those are the two issues of concern that we have. One is that we want to hear from technical experts about the biometric facial recognition technology, and we have not had the opportunity to do that. The other is that we may well have differing positions if the government does not accept its own Senate inquiry’s recommendations. Therefore, whilst we are prepared to have debate on the bills together, we want to ensure that we can have the vote separately.

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (9.36 am)—Unfortunately, this is another opportunistic attempt by the Greens to suggest to the Australian public that due process is not being followed in relation to some important legislation that is coming before this place. There are two pieces of legislation. To start with the last matter first, the simple fact is that when you deal with two bills together, of course it is possible to put the two bills to a vote separately, and we would be putting the two bills separately. There would be separate votes. I think most of the senators would have known that and I would have thought a very brief phone call to the Clerk’s office would have revealed that—rather than trying to make suggestions in this place that a separate vote would somehow be denied.

In relation to the bill that the Greens tell us they support but want to have an inquiry into, can I just remind honourable senators that this bill has been floating around for about five months. It was introduced late last year and there was a report by the Selection of Bills Committee—and the Greens have a representative on that committee. The report of that committee was tabled and adopted on 19 October last year, and do you know what the recommendation was? That there be no report or inquiry into the bill. That is what the Greens agreed to. That was tabled and reported to this place on 19 October last year. Here we are on 28 March, being broadcast, and as a result the Greens are trying to say that they are here trying to rescue the Senate from the evils of the Howard government. Well, the Howard government has had this legislation on the table for nearly a full half-year. The Greens did not want an inquiry into this bill. Now, all of a sudden, when we are about to debate it, they do.
What I say to the honourable senator is that if she has any questions about this bill they can be raised during the committee stages. We will be going through the normal committee stages, the normal processes of the Senate, but we think that from an expediency point of view it makes good sense to debate two bills that relate to matters of immigration together. If there are any specific problems or concerns—genuine problems—that the senator has, I wonder whether she has actually rung the minister’s office and inquired as to whether or not she might be given the benefit of certain advice from advisers of that office? I just have a hunch that, like with the Selection of Bills Committee, no such request was made, but the Greens come in here in a flurry suggesting that they are genuinely interested in the legislative process and in informing themselves as to the detail.

The simple facts are that these bills will be voted on separately and there will be a committee stage where these matters can be explored. I am sure that my colleague the Minister for Immigration and Citizenship would be more than willing to provide advice to the honourable senator so that she can be even better informed when the debate commences.

The PRESIDENT—Senator Brown, you are on your feet, but Senator Abetz has concluded the debate. No-one stood before he did.

Senator Bob Brown—I seek leave to make a comment.

Leave not granted.

Senator Bob Brown—Is Senator Abetz not giving leave?

The PRESIDENT—No.

Senator Bob Brown—that will be noted.

The PRESIDENT—the question is that the motion be agreed to.

Question put.
the day will be spent now on quorums and stupid points of order. Mr President, could you rule, perhaps on reflection, on whether the words of the senator were in fact an infringement of the rules.

The PRESIDENT—I do not believe they are. Like you, I did hear what was said. The words themselves were not unparliamentary, nor were they intimidating. I must admit there was a certain inclination in the voice, but I am not going to rule on that. I therefore cannot accept the point of order.

Senator Nettle—Mr President, on the point of order: when you are looking at this issue, I ask you to pay attention—

The PRESIDENT—I have already ruled.

Senator Nettle—You have said that you are not going to make a ruling on this and so—

The PRESIDENT—No, I just said there was no point of order. That is what I ruled on.

Senator Abetz—for the benefit of honourable senators, I do not feel overly threatened by the comment that was made earlier by a disgruntled senator.

GENE TECHNOLOGY AMENDMENT BILL 2007

FOOD STANDARDS AUSTRALIA NEW ZEALAND AMENDMENT BILL 2007

First Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.50 am)—At the request of Senator Mason, I move:

That the following bills be introduced: A Bill for an Act to amend the law relating to gene technology, and for related purposes.

A Bill for an Act to amend the law relating to food regulatory measures, and for related purposes.

Question agreed to.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.50 am)—I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.51 am)—I move:

That these bills be now read a second time.

I table the explanatory memoranda relating to the bills and seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

GENE TECHNOLOGY AMENDMENT BILL 2007

The Bill I am introducing today strengthens the Australian Government’s component of the nationally consistent gene technology regulatory scheme. This scheme protects the health and safety of people and the environment from any risks that may be posed by genetically modified organisms.

The Bill will make amendments to the Gene Technology Act 2000 (the Act) to ensure that regulatory burden is commensurate with risk, introduce provisions to deal with unexpected situations, and ensure the smooth operation of the scheme. These changes proposed will not make any significant changes to the strong scientific assessment framework of the Act which has been working well over the past six years.

This Bill is the response to the Statutory Review of the Gene Technology Act 2000 and the Gene Technology Agreement 2001, conducted in 2005-06. I would like to thank the review panel, chaired by Ms Susan Timbs, and the Secretariat for such a comprehensive review.

The review panel concluded that the gene technology regulatory system was working well and recommended a number of changes intended to improve the operation of the regulatory scheme.
The recommended changes are implemented by the Bill.

To ensure that regulatory burden is commensurate to risk, provisions in the Bill will differentiate between limited and controlled release of genetically modified organisms and commercial releases. This split will allow different timeframes and consultation requirements for the assessment of applications for these types of dealings to be set.

This change will allow researchers to get on with the job of testing in the field genetically modified organisms that could result in agricultural and environmental benefits, while ensuring that the health and safety of people and the environment is properly protected.

Gene technology holds great potential for Australia and there may be circumstances where a genetically modified organism is uniquely capable of dealing with a health or environmental emergency. This Bill introduces emergency provisions that will more ably allow a genetically modified organism to be used in an emergency. However, we consider it appropriate that even in an emergency there be strong safeguards in place to ensure that the genetically modified organism are used appropriately.

Another issue that this Bill addresses is that where a person finds themselves dealing inadvertently with an unlicensed genetically modified organism the Gene Technology Regulator may issue a licence to allow that person to appropriately dispose of the organism.

The gene technology framework provides for extensive consultation with experts on ethics, scientists, State and Territory governments, other regulatory agencies and the wider community. This consultation would be enhanced as a result of the establishment of the Gene Technology Ethics and Community Consultation Committee, that would be established by this Bill.

The Bill also proposes a number of procedural and technical changes that would improve the ongoing operation of the scheme.

The Act is part of a wider intergovernmental scheme in which the States and Territories have agreed to introduce corresponding legislation for the regulation of genetically modified organisms.

The quality of this Bill is shown by the strong support it has received from the States and Territories and the approval of the Bill by the Gene Technology Ministerial Council. This is a great example of Australian governments working collectively to ensure that Australia has a world-class regulatory system that protects the health and safety of people and the environment as well as promoting research in this growing industry.

This Bill represents amendments preferred by States and Territories and any amendments to the proposed Bill may not be supported by the States and Territories.
that the Ministerial Council must be satisfied with any approved standard.

Since the commencement of the new system in 2002, ongoing feedback from consumers, government and industry has highlighted a number of areas where the Authority’s operations could be improved. In particular, a recent review of the food standard development and approval processes highlighted areas in which processes could be streamlined and harmonised, red-tape could be reduced and innovation in the food industry could be further encouraged.

The main weaknesses of the existing system were found to be the timeframe for decision making, and the “one size fits all” approach fixed in the legislation for developing or amending a food standard.

The underlying issue is that virtually all applications and proposals are being processed in the same way, regardless of whether these are for a major or minor amendment to a standard, or for a new standard altogether. Even applications for minor technical amendments are subject to the full gamut of two rounds of public consultation, three sets of reports and the opportunity for Ministerial Council reviews.

It was found that the average time taken to complete a full assessment of an application was 16.8 months. This has lead to a considerable backlog of applications. Anyone who lodged an application could expect to wait 15 to 18 months before the assessment of that application could commence.

To address this problem, the Bill before us amends the Act to enable the Authority to assess different applications and proposals according to their nature and scope. Three different streams will replace the current “one size fits all” model, resulting in a targeted assessment process that will improve efficiency and reduce average assessment times. Improvements have also been included to better engage stakeholders in the standards development process.

Another issue that was identified by the review was the need to improve the capacity to align the processes between the policy development undertaken by the Ministerial Council and the standard development process of the Authority.

The Bill addresses this issue by further strengthening the complementary roles of the Authority and the Ministerial Council. The Bill enables the Authority to suspend consideration of an application to await policy advice from the Ministerial Council when policy on the same issue as the application is under development.

Currently, there is no simple way for the Authority to defer dealing with an application to amend a standard, even if it knows that the Ministerial Council is concurrently developing policy guidelines that will affect this standard.

This approach has been endorsed by the Ministerial Council. It strikes the necessary balance between aligning the functions of the Ministerial Council and the Authority, and processing applications without undue delay.

The second change in relation to the Ministerial Council is to streamline the process for finalising standards. Subject to necessary changes to the Food Treaty between Australia and New Zealand, the Bill amends the review procedure that is available to the Ministerial Council after the Authority has approval a standard. The removal of the option for a second review will significantly streamline the process to finalise standards while still ensuring appropriate oversight of standards by the Ministerial Council.

As part of the review a great deal of feedback was received on better management of issues related to food innovation.

An area identified by industry as having the biggest potential for innovation of food was that of health claims.

As a result of extensive consultation with all interested parties, the Bill addresses the main concerns of industry by including a new process for the scientific pre-market assessment and approval of high level health claims. The Nutrition, Health and Related Claims Standard is currently under development by the Authority. Once the Standard is approved, individuals and companies will be required to make applications to the Authority for pre-market approval of high level health claims which will then be assessed against the Standard and, if approved, added to the list of approved claims.
The new process described in the Bill ensures that, if and when the new Nutrition, Health and Related Claims Standard takes effect, all high level health claims will be fully assessed by the Authority with the advice of an expert committee and in consultation with States, Territories and New Zealand.

Once the Authority approves the inclusion of the claim in the Standard the amended Standard will be considered by the Ministerial Council in the usual way. This process ensures proper assessment of the claim against the Standard but also encourages innovation in this area by enabling claims to remain confidential.

To remove unnecessary red-tape and duplication and to improve clarity the Bill also makes several minor and consequential amendments. An example is an amendment to the Agricultural and Veterinary Chemicals Code Act 1994. The amendment enables the Australian Pesticides and Veterinary Medicines Authority to refer applications relating to Maximum Residue Limits to the Authority, and for these to be dealt with in a streamlined manner. This will align the processes of the Australian Pesticides and Veterinary Medicines Authority and of Authority for the cooperative setting of Maximum Residue Limits and remove unnecessary red-tape and duplication.

The State, Territory and New Zealand Governments have been closely involved in the development of this legislation. All are jointly committed to a food regulation system that runs as smoothly and efficiently as possible, while still maintaining the existing open and publicly accountable arrangements that ensure the protection of public health and safety. The amendments proposed by this Bill reflect this commitment.

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

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

AIRPORTS AMENDMENT BILL 2006

Second Reading

Debate resumed from 27 March, on motion by Senator Johnson:

That this bill be now read a second time, upon which Senator O'Brien moved by way of amendment:

At the end of the motion, add: “but the Senate condemns the Government for undermining public confidence in the Airports Act through planning approval decisions, such as that relating to the Perth brickworks site, located opposite a residential area, and the Essendon direct factory outlet, proposed without regard to the impact on local road infrastructure”.

Senator SIEWERT (Western Australia) (9.51 am)—I know everyone has been waiting with bated breath for the answer to the question that I asked the Minister for Transport and Regional Services. To remind people who were not here yesterday, I let the Senate know about a series of questions I asked the Minister for Transport and Regional Services about the Perth brickworks. The minister has ended up as the de facto regulator for the brickworks. The answer I got to these questions was that the airports branch of the aviation and airports division of the Department of Transport and Regional Services about the Perth brickworks. The minister has ended up as the de facto regulator for the brickworks. The answer I got to these questions was that the airports branch of the aviation and airports division of the Department of Transport and Regional Services will monitor compliance with all conditions of approval.

With all due respect to the people who work at DOTARS, this branch has not been set up to evaluate matters such as Aboriginal heritage values on airport land, nor was it established to safeguard the biodiversity values of this area, nor does it have the ability to analyse airshed modelling to protect residents from acid gas fallout. None of these things is in its purview and I would say that there are other agencies, particularly state ones, that are much better qualified to do this. Nor do I believe that it has the necessary planning expertise to ensure that these developments are compatible with surrounding land uses. Again, it is not what the department was set up to do.
This bill continues a trend of allowing incompatible land uses on important areas of urban and peri-urban bushland—areas that I remind you are in very short supply in most of our capital cities these days. Without the kind of regulatory oversight that state governments have spent years struggling to develop—and this oversight is absolutely necessary for these areas of bushland—this bill will make a bad situation worse.

The Greens will be moving an amendment. Senator Milne has already highlighted that she will be moving an amendment that allows better state evaluation of these important bushlands and the developments that affect them. We commend that amendment to the Senate to enable these important areas of bushland in our capital cities to be protected.

As I highlighted yesterday, in some instances these are part of the last remnants of important biodiversity in our capital cities. The Perth airport bushland contains values that are found nowhere else on the Swan coastal plain. They should be protected and they should not be subjected to the ad hoc developments that are being allowed to occur at present. We would have liked to have seen this bill deal with this by tightening up these sorts of controls so that development on these areas can be either properly controlled or not allowed in cases where they are incompatible with the biodiversity of these areas or with the flight paths—which is what I thought airports were there for in the first place.

Senator McEwen (South Australia) (9.54 am)—I would like to make a few comments about the Airports Amendment Bill 2006. This bill and the Senate inquiry into the bill have given senators and members and other interested parties the opportunity to once again canvass a number of contentious issues that have arisen since some 22 of Australia’s airports were leased to private companies—a process that commenced more than 10 years ago. The initial decision to privatise airport leases was a contentious one and continues to be so. However, in hindsight—and noting the huge expansion in air travel in this country and our reliance on air travel as a nation—the only way we were going to be able to fund continuous improvements and build the infrastructure needed to deliver the required air transport services was to invite private investment. Otherwise, taxpayers would have had an unbearable burden and it is unlikely that air transport services and infrastructure would have kept pace with our nation’s growth and with the demand for modern transport systems.

However, privatisation of any government services brings with it the usual difficult problem of balancing the need for the private provider to make a profit in a way that does not override the rights and reasonable demands of citizens. Privatisation also puts distance between the ability of a government to control the delivery of services and the ability of the people to hold their government accountable when things go wrong. Privatisation makes it easier for government to abrogate its responsibility for service provision and makes it easier for government to blame everyone else for problems that may arise. These familiar things and tensions have also arisen in the ongoing debate about our privatised airports.

Particularly controversial and ongoing issues that have arisen since the passage of the original act in 1996 include the fees charged by airport lease owners for airport users; the increasing aircraft noise from expanded or varied aircraft operations; and, possibly the most contentious of all, the expansion of non-aviation uses, including large retail and commercial office developments, on airport sites.
While privatisation of airports has brought many different interest groups into the debate—including investment banks, business representatives, airport lessee companies, state and local governments, residents groups, developers, airlines, freight companies and environment groups; the list goes on—ultimately it is the federal government that has oversight of significant legislation dealing with aviation, airports, transport and transport safety. The buck stops well and truly with the federal government and no amount of blame shifting by the federal government can change that fact. The Australian people expect their federal government to have ultimate responsibility for what happens at airports and on airport land that the government leases to private companies.

Airports are not just transport hubs, they are the first port of call for most tourists to this country and they are, unfortunately, places where we must be ever-vigilant about security. They are also places where there is a very real potential for accidental incidents that cause enormous damage.

The scope and complexity of federal government responsibility for aviation and airport related matters is not going to diminish. Statistics provided by the Bureau of Transport and Regional Economics show that, Australia-wide, passenger movements on domestic routes have increased by an annual average of 4.6 per cent since 1995-96 and that on international routes the average annual increase is 5.2 per cent. Regional airline passenger activity has increased by an average of 3.2 per cent each year since the same date.

At Adelaide Airport in my state, for example, that translates into revenue passenger movements increasing in number from 3,740,000 in 1995-96 to 5,760,000 in 2005-06. For a relatively small city, that is a very big increase. There is no reason to believe that the number of passenger and freight movements through Australia’s airports will reduce. The nation needs to be prepared to meet increasing demand.

Capital city airport precincts these days are major employment and service delivery centres. For example, Adelaide Airport precinct employs in the vicinity of 3,000 to 4,000 people. Whereas in the past a capital city airport precinct might have comprised a terminal and a few retail shops within it, a car park, airline and freight company offices, maybe some government offices, emergency services and possibly a petrol station, now an airport precinct is like a small city within a city. At Adelaide Airport precinct, in addition to all the things I mentioned earlier, we also have a childcare centre, restaurants, logistics companies, extensive government and private offices, and the ubiquitous and controversial large retail developments.

Like other airports, Adelaide also has a newish airport terminal—and I doubt that anyone who travels frequently to Adelaide would dispute that it is high time for South Australians to have a real, grown-up airport that has airbridges and an international terminal better than a tin shed. That airport was built with private investment. However, along with the positive developments in airports and aviation in Australia, many in our community—while they understand that modern aviation infrastructure and services are essential for Australia and acknowledge the role that private investment plays in delivering those objectives—believe their legitimate interests, rights and complaints have been ignored or not adequately dealt with under the current legislation. They look to the federal government for support.

There is no doubt that the federal government has been reluctant to acknowledge that all was not right with the legislation governing airport development. Public confidence in the ability of the government to genuinely
take into account community concerns about inappropriate, non-aeronautical development was undermined when the minister gave the green light for the Perth brickworks site—an inappropriate use if ever there was one, and I am sure we will hear more about that shortly. Labor has moved a second reading amendment which condemns the government for undermining public confidence in the Airports Act through bad planning approvals like the Perth Airport one and the siting of the Essendon Direct Factory Outlets.

As a member of the Senate Standing Committee on Rural and Regional Affairs and Transport that inquired into this bill, I would like to express my appreciation to all the persons and organisations who made submissions to the inquiry and who attended the public hearing.

I also note the abiding interest of the member for Hindmarsh, Mr Steve Georganas, in all things to do with the Adelaide Airport in particular, which is in the middle of his electorate. Well before he became a member, Mr Georganas was active in his support for residents of Adelaide’s western suburbs, who watched as the airport grew to the enormous transport hub that it is today. As a member of parliament, he has introduced a private member’s bill to create the position of airport ombudsman, an initiative designed to give residents an independent person to whom they can take their complaints and issues about the airport.

I also acknowledge the hard work and commitment that Mayor John Trainer of the City of West Torrens Council puts into his role as a community representative and advocate for the businesses and organisations in his area that are aggrieved by what is happening at Adelaide Airport. Mr Trainer and his CEO, Mr Trevor Starr, travelled to Canberra to put their views on behalf of not only the residents of West Torrens but also all South Australian local councils.

The Senate committee also received submissions from the City of Salisbury, under the leadership of Mayor Tony Zappia, and from residents near Parafield Airport in Adelaide’s north, who view the increased usage of that airport—including the establishment of flying schools and on-airport land developments—as not always compatible with the right of local residents to a safe and habitable environment.

Similarly, I would like to acknowledge the written and verbal submissions of Mr Phil Baker and Mr John McArdle of Adelaide Airport Ltd. The issues between West Torrens council in my state and Adelaide Airport Ltd are not unfamiliar to other participants in this debate. Looking at the submissions to the Senate inquiry into this bill, I believe many will not be convinced that the proposed new legislation will do much to alleviate their concerns.

Tensions between airport operators and surrounding communities, over both aeronautical and non-aeronautical developments on airport land, occur on a number of fronts. Some of these concerns are dealt with to some extent in this bill, but some concerns of local communities are not dealt with and will no doubt continue to cause friction between all levels of government, airport developers, residents groups and individuals.

Broadly, this bill does the following things. It provides for making regulations that will allow airports specified in regulations, but not core regulated airports, to be exempt from the current prohibition on airlines owning more than five per cent of a company that is an airport operator company. The bill amends the act to take account of a 2005 Federal Court decision regarding non-aeronautical development on airport land, and adds that substantial trading or financial
business must also be consistent with the relevant airport master plan. The bill inserts a new subsection that goes some way to clarifying the purposes of airport master plans, a deficiency in the current act that needs to be remedied.

The bill includes an amendment that will mean an airport master plan must contain reference to an Australian noise exposure forecast and to future flight paths, in accordance with any regulations for the purpose of this section of the act; however, we have not yet seen these regulations. The bill also provides for a draft or final master plan to include ANEF information that extends beyond the 20-year planning period, a measure introduced to give some additional certainty given the future anticipated increase in aviation usage in this country. A new master plan must be developed if a new ANEF is endorsed for the relevant airport.

The more controversial aspects of the amendments go to changes to the time allowed for public comment on drafts of master plans and major development plans and environment strategies. One of the most contentious aspects of modern airport usage is that developments on airport lands are not subject to the same state government and local council planning regimes as developments on off-airport land.

There is a sense in the community—rightly or wrongly—that airport developers can do whatever they like, without regard to what the impact may be on local roads, local residents, the environment, other businesses nearby and on people who, even if they are not using the airport or its non-aeronautical developments, must use roads in and around airports to travel from one part of a city to another. This sentiment, that the airport developers are allowed to get away with it, has been exacerbated by consultation and approval processes that have been criticised by local government, business representatives and residents groups who either do not have the opportunity to participate in consultation processes or do not believe their concerns are taken into account when they do participate. They do not know if their concerns actually make it beyond the airport operator company and are brought to the attention of the department and the minister as part of the approval process. The sentiment in the community that airport developers are allowed to get away with it has also been exacerbated by the fact that the minister had not refused any major development plans until the recent disallowance of the plan for Sydney airport.

Changes proposed by the government as part of this bill to shorten consultation periods fed into the disquiet felt by local councils and residents groups in particular, so much so that the government is amending its own amendment bill to increase the consultation period for draft plans from 45 days to 60 days. Labor does not support reduced consultation times, and it remains to be seen whether the government-proposed shortened time lines for consultation periods will prove adequate to quell disquiet about airport developments.

It is hoped the changes to the way interested parties are informed about developments will go some way to generating confidence in the planning, consultation and approval processes. Those changes include that, in addition to current requirements to publish information about plans and variations in local newspapers, the airport lessee company must publish advice on its website that the plan is to be made available for comment, a copy of the plan must be made available free of charge on the website throughout the consultation period and the airport lessee company must demonstrate how the company has had due regard to comments provided by the public, as op-
posed to simply stating it gave due regard to comments.

In addition, a new ‘stop the clock’ provision is proposed, whereby the minister may request that the airport lessee company provide specific information relevant to a decision-making process and, if that happens, the stated approval time for the minister will cease while this information is requested and provided.

The Senate committee report into the bill made some additional recommendations, including that the airport lessee companies be required to directly advise state, territory and local governments about commencement of the public consultation processes. This is intended to overcome the complaint that unless local authorities and other interested parties kept a watchful eye on advertisements in newspapers they would not know a consultation process was underway.

The Senate committee also recommended that any submissions that the airport lessee company received arising from the public consultation process be forwarded to the minister. These recommendations from the Senate committee reflect the unanimous view of the committee that there are indeed flaws in the current process of consultation and approval, and of course Labor supports these recommendations.

Labor believes there should be other changes to the bill to strengthen ministerial accountability and to build public confidence in what is happening at our airports. Labor believes we should remove the deeming provision in the current legislation which means a development is automatically approved if the minister fails to make an explicit decision within the appropriate time frames of the act. Labor also proposes a requirement of the minister to provide a statement of reasons if he or she overrides the recommendations from state or local government authorities.

Further, Labor proposes that the department be required to have qualified town planners involved in the assessment of airport development plans. Apart from ensuring that expertise is always part of the approval process, it would go some way to assuring the public that persons qualified to contemplate the outcomes of a particular development plan are part of the process.

Other changes in this bill include lifting the threshold for a major development from $10 million to $20 million and allowing the minister to determine that the combined cost of consecutive or concurrent projects or extensions be included when deciding whether the cost of a proposal exceeds the threshold for major development projects. Whether or not airport lessee companies have in the past manipulated the current $10 million barrier and whether they would manipulate the new, higher barrier were matters of some interest at the Senate inquiry. Labor understands that the rationale for increasing the limit is based on increases in building costs since the original act was framed more than a decade ago. We take on board, however, the concerns raised by people who made submissions to the inquiry and believe the minister should not have the discretion to determine the combined cost but be required to determine it.

Whenever private developments on airport land are in the public arena, local governments rightly raise the issue of whether or not their ratepayers are getting a fair deal from the rate equivalent contribution regime that applies to airport lessee companies. At the Senate committee inquiry and at previous inquiries and reviews, local governments in particular have put the view that, while on-airport development is not subject to the usual local government planning and rating regimes, the impact on surrounding infrastructure such as roads, on off-airport businesses and on residential development is
borne by local governments and their rate-
payers. That is an argument that is unlikely
to go away, but Labor acknowledges this and
believes that the minister, when considering
approval conditions for a proposal, should be
required to take into account whether an
agreement or a revised agreement should be
negotiated between the airport lessee com-
pany and the local and state authorities. That
should be an agreement that really does re-
fect the additional burden on local commu-
nities of on-airport development.

There are other amendments proposed in
this bill which I have not dealt with but
which were of interest to the Senate commit-
tee, particularly those relating to Canberra
airport, the issue of gambling on airport land
and the intention to allow persons or organi-
sations approved by CASA to supply air traf-
cic, fire and rescue services, which are cur-
rently supplied solely by Airservices Aus-
tralia.

In conclusion, airport and airport land de-
velopments will continue to be controversial.
Senators only need to see the expansion of
office, retail and industrial developments
near Canberra airport and the problems of
traffic flow around that airport at peak times
on inadequate roads surrounding the airport
to realise that this issue will continue to oc-
cupy not only our attention but the attention
of many in the community. It is unlikely that
the legislation we are debating today will
satisfy all the criticisms of the current system
of planning and approval of developments on
airport land. It is, in the scheme of things, a
modest package of reforms and, while Labor
supports the thrust of the bill, we believe the
government has wasted an opportunity to do
more to alleviate the ongoing and legitimate
concerns of local government, residents
groups and citizens about the issue of balanc-
ing community interests with commercial
interests in and around airports.

**Senator STERLE** (Western Australia)
(10.14 am)—I rise to speak on the Airports
Amendment Bill 2006. There a number of
issues I want to explore, but I will concen-
trate my remarks on the experience of com-
munities in the north-eastern suburbs of
Perth and their interaction with Perth airport
because the sorry saga of the building of a
brickworks on Perth airport land goes a long
way towards illustrating what is wrong with
the current regime governing airports leased
from the Commonwealth.

The significance of building a brickworks
under a flight path in a residential area can-
not for one moment be underestimated. With
that at the forefront of my mind, it is a very
short calculation indeed to reach the conclu-
sion that the Howard government has been
grossly incompetent in the management of
airport leases. I have serious doubts as to
whether these amendments will go very far
towards righting what is wrong with the
management of airports. Why is that the
case? Because the chorus of disenchantment
is coming from the government’s own party
room. Nothing goes further in illustrating the
current problems with the Howard govern-
ment than this. The now well-reported ex-
amples of sniping and backbiting among col-
leagues are starting to take hold like tinea on
the floor of a gymnasium shower.

We need only look at two speeches made
in the other place by Western Australian Lib-
eral members of parliament on this bill—
interestingly, members for electorates around
the Perth Airport. It is not often we have
members of the same party criticising one
another in parliament, but that is what we
had. I am talking about the member for Has-
luck, Mr Stuart Henry, and the member for
Canning, Mr Don Randall. I think it is worth
drawing the attention of the Senate to what
happened between these two.
During debate on this bill in the other place, the member for Hasluck, Mr Henry, almost in despair at his own hopelessness and lack of influence bewailed what had happened with the planning process at Perth Airport in relation to the construction of a brickworks on the airport site. Remember that it is land leased from the Commonwealth government. He said that when he first heard of the brickworks proposal he sought an urgent meeting with BGC, who are the proponents, and Westralia Airports Corporation in the hope that he could have, he said, ‘encouraged both parties to effectively engage the community and discuss and confirm their plans’.

But the member for Hasluck went on to say, ‘This did not happen.’ I repeat: ‘This did not happen.’ It goes to show that his claimed ‘strong voice for Hasluck’ does not even rate as a whisper in Canberra. This is despite more than 5,000 local residents, who are also voters, putting their names to a petition objecting to the construction of a brickworks in their backyard. These are the residents of the suburbs of Hazelmere, Forrestfield, High Wycombe, South Guildford and Maida Vale.

In a further admission of his own inadequacy, the member for Hasluck explained what he did next. He wrote a letter. It reminds me of a scene from the fantastic and great Australian movie *The Castle* in which the Kerrigans are all sitting around the table—except for Wayne; he is in jail—and there is the proud announcement: ‘Dale dug a hole.’ Well, it was actually Mr Henry who dug the hole. By the time he had got his letter out, the hole was getting deeper and deeper. He said he raised specific concerns in his letter that a brickworks fell outside the stated aims of the Perth Airport Master Plan 2004. Surprise, surprise—once again the member for Hasluck’s specific concerns fell on deaf ears. How do we know this? Because there seems to be no stopping the brickworks, no matter how incompatible it might be with the proper functioning of an airport, no matter how many local residents are up in arms and no matter how many letters were written or protests made by the ineffectual member for Hasluck.

Being ineffectual, whom does the member for Hasluck blame? The state government of course, even though the state government did all it could, I understand, to try to have the brickworks located on a more appropriate site, given the heavy, noxious industry that it is. Alternative sites named by the government of Western Australia as more suitable included areas in Forrestdale and Neerabup. The local residents know who to blame for this appalling decision. They know the airport is on Commonwealth government land, and they know who ultimately allowed the brickworks to be built on this land; it was the Howard government, aided and abetted by the former minister for transport, Mr Truss, and the former minister for the environment, Senator Ian Campbell—no less than a Western Australian colleague of Mr Henry.

Speaking of the former environment minister, because of his so-called compassion for the environment I found it strange that the brickworks went ahead with no fight from him. I honestly feel he was compromised. I do not think he felt all that comfortable with the idea of a brickworks, but for some reason he let it go ahead. He let it go ahead in the sense that he was so prepared to save the orange-bellied parrot and yet he did not show the same concern for the residents of suburbs around Perth Airport.

But back to the member for Hasluck. What was his last resort, having failed the Hasluck community and been shown to be so ineffectual? He dug another hole. The member for Hasluck set up a community consultative committee. I have absolutely nothing against the good members of the local com-
munity who have agreed to be part of this committee—good luck to them; they will need it—but it is all too late. It is all too late for the local community because the brickworks are going ahead thanks to the Howard government. It would have meant a great deal more if the consultation had occurred when it was needed, before this government agreed to allow brickworks to be built on the Perth Airport site.

Late last year during estimates hearings into this matter I asked questions of an official from the Department of Transport and Regional Services. I asked him whether BGC would put this community group together. Mr Doherty from DOTARS replied:

That is correct. With the Westralia Airports Corporation as the airport lessee.

So we know who is really behind, who is really supporting, this so-called community consultative committee; it is the proponents of the brickworks. Mr Henry dug a hole all right—BGC and Westralia Airports Corporation, hand in glove, listening to the concerns of the community! They will listen all right, but do you know what they will hear? They will hear nothing. It will be just like the member for Hasluck’s voice in Canberra. I say good luck to the members of that committee.

This whole Perth Airport episode had a very different outcome when compared to what happened at Sydney Airport. In Sydney, Minister Vaile decided to take the axe to the proposed shopping centre at the airport, which was far too sensitive, no doubt, this close to an election. I would cheerfully swap two shopping centres for a brickworks, as would the people of Hasluck, I am sure. But there were no qualms about a brickworks at Perth Airport. You can just hear the considerations: ‘High Wycombe? Hazelmere? Never heard of them. Mr Henry, the local member? Never heard of him either’—most likely—‘Do not worry about him; he will do just as he is told.’ So much for the member for Hasluck’s attempts to represent his constituency.

Let us turn to the other Liberal member of parliament from Western Australia I referred to earlier—the Member for Canning, Don Randall—and his contribution to the debate on this bill. He entirely contradicts the member for Hasluck on the suitability of Perth Airport for a brickworks. The member for Canning said:

... in my opinion this is an entirely suitable use of Perth Airport.

‘Entirely suitable,’ said the member for Canning. That is contrary to what was said by the member for Hasluck, who told the other place:

... I was disappointed at the decision to place the brickworks on this land.

The member for Canning was once the member for Swan, until the electors there saw the error of their ways, and the electorate of Swan borders Perth Airport, unlike the seat of Canning. So one cannot help wondering what Mr Randall might have had to say if the brickworks had been proposed back in the bad old days when he held the seat of Swan. Would he have been so comfortable with the use of airport land for a brickworks? Would he have been so dismissive of the views of local residents and voters? Would he have supported the brickworks then? Who knows. But perhaps we should make the current member for Canning the judge on all these issues across the country, because obviously he is quite confident in expressing an opinion on what works best for voters in electorates other than the one he is in parliament to represent.

Why stop there? Now that the Howard government wants to roll out nuclear reactors across Australia, who better than the current member for Canning to decide where they
should go? He takes such a detached, objective view and obviously gives no favours to his Liberal Party colleagues, if his treatment of the member for Hasluck is anything to go by. So when the time comes to site a reactor in Perth, no doubt the member for Canning will call for, or rather demand, it be placed on the Perth Airport site in the electorate of his colleague the member for Hasluck. This is not as silly as it sounds. The member for Hasluck did not like the idea of a brickworks, he knew it would be electoral poison for him, but he could do nothing about it and he was not assisted by his so-called colleagues in Western Australia—neither the former minister for the environment nor the member for Canning, who thinks the brickworks site is ‘entirely suitable’. Let us hope that the electors in both Hasluck and Canning keep that in mind later this year when they decide who should represent them in the federal parliament.

It is noteworthy that the member for Canning also described me as a disgrace for my criticism of the brickworks proposal. That was rather cutting. I say to the member for Canning: is it a disgrace to stick up for the rights and community interests of residents in the surrounding suburbs of Forrestfield, Maida Vale, Hazelmer, High Wycombe and South Guildford? These residents have every right and justification to be concerned about the Howard government’s decision to allow this plan to go ahead. These residents have every right to be concerned about the apparent inability of their Liberal members of parliament to represent them and their interests. Am I a disgrace for being concerned about the health impact on local schoolchildren at Dawson Park Primary, Edney Primary, Woodlupine Primary, Forrestfield Primary, Forrestfield Senior High School, High Wycombe Primary, Maida Vale Primary and the private schools in those suburbs with total enrolments of no fewer than 3,495 students this year? Am I a disgrace for raising concerns about the effect that heavy truck traffic will have on road safety and traffic congestion for local residents when the brickworks is built? If I am a disgrace for sticking up for the local community then maybe we need more disgraceful conduct in our parliament. It says more about the member for Canning than it does about me that he feels sticking up for local people amounts to a disgrace.

I shall leave the expose on the ineffectuality of those Western Australian Liberals there. I only highlighted their behaviour in relation to the brickworks on Perth Airport land to illustrate how some of the provisions in this bill will fall short of alleviating the concerns of local residents when it comes to management of Australia’s airports. I shall now move to some of the broader concerns about this bill.

This bill seeks to reduce the time allowed for public comment on draft master plans for federally leased airports from 90 calendar days to 60 business days, effectively shortening the time for public comment. According to the explanatory memorandum attached to the bill, this is to bring the time period more into line with state and territory planning systems. That might be so, but I view anything that would shorten the amount of time available for community consultation with concern, especially given the experience of local communities with the brickworks proposal for Perth Airport. This is particularly worrying when the bill also moves to codify the right of the airport lessee to conduct types of business that are non-aeronautical in nature. Put together, shortening the time for community consultation along with codifying non-aeronautical business could, I fear, be disastrous. How will the views of local residents about the types of business and industry that will be allowed on airport land be accommodated into the future? Put simply: how will the community be protected
from more brickworks or even a nuclear power plant? Where does the government's priority really lie? How can restricting public opinion improve things for local communities who have to live with major airport development plans not for 60 or 90 days but for decades? I repeat: it will be for decades.

In airport planning and approvals the Howard government has its own version of Guantanamo Bay where, on an airport site, whatever laws the Commonwealth decides to create will apply. Commonwealth airport sites have become, in effect, jurisdictional islands where the will of the rest of the community can be excluded. It is about time this government faced up to its responsibility to seriously represent and promote the community interest and not simply be constantly falling over itself to smooth the way for its mates regardless of the long-term consequences.

There are elements in this bill that I welcome. In particular, I welcome the provisions that will require lessees to set out how they have responded to submissions from the community on planning as well as the requirement that information from the lessees on planning issues be more readily and freely available to the community. I would like to conclude my comments on this bill by thanking the shadow minister for transport and roads, the member for Batman, and his staff for the work they have done in examining this bill and assisting Labor to arrive at a sensible and balanced position.

Senator HURLEY (South Australia) (10.29 am)—My colleagues have done a very good job of pointing out the problems that have arisen in the planning and development stage of airport development. State governments are unhappy about aspects of it, as are local governments. My colleagues have outlined very well the instances of that occurring right around Australia. It is certainly a large problem. In my home state of South Australia, it has been no less a problem.

The Premier of South Australia, Mike Rann, took a lead through the Council for the Australian Federation. As chair of that council, he wrote a letter to the Prime Minister asking for concerns about master-planning issues to be addressed. It highlights the fact that once again we have the federal government not seriously consulting with state governments. The federal government say they recognise state government issues; they say they recognise that state governments should have an input and yet it appears, as these problems have developed over the past years, that they have not really sat down and talked to them. Mike Rann’s letter states:

In 1997 the Council of Australian Governments signed a Heads of Agreement on Commonwealth/State Roles and Responsibilities for the Environment. The Agreement provides that tenants and persons undertaking activities on Commonwealth land would be subject to State environment and planning laws. Under the terms of the Agreement the only exception, in relation to airports, is aviation airspace management and on-ground airport management. The Council for the Australian Federation maintains that the Australian Government has not regulated the planning of non-aviation airport developments in a manner consistent with State Government planning regimes as required by the COAG Agreement. Departure from the Agreement has potential consequences for the States and Territories.

Once again, we see this problem between the federal government’s understanding of an agreement and the collective state governments’ understanding of an agreement. There is slippage between the federal government and the Commonwealth. There has been an understanding that there is a good reason for the Commonwealth government to have some control of what happens at our national airports, but it has been in the implementation—in the way that the federal government
has handled representation—that problems have arisen.

Of course, it is not only about planning and development issues; there is also concern by state governments that the development of non-aviation uses in airports in the future may limit aviation uses. I know that this is one of the concerns in South Australia. If you are crowded in by non-aviation uses of airports then, when airports and airlines want to expand for aviation uses, there is no room left and no capacity within the airport. At an airport such as Adelaide airport this is a problem because it is a city airport surrounded by suburbs, crowded in by the development which exists currently, with very little room for expansion. Sydney would have exactly the same kind of problem.

The state government is very concerned that, if its tourism or freight opportunities expand to any extent, airport users may find themselves limited by other lessees. I happen to think that there has been some justification for greater use of airport land where that is appropriate. Where you have large tracts of land, and many of our airports are located within valuable city property, there is some justification for the use of that land for commercial and retail purposes. I have no great difficulty with that but it must be with the caveat that it is important that local and state governments should be reasonably comfortable with that development and that it should not impinge on future aviation uses of that airport.

Probably the third major problem that has arisen since privatisation of the airports has been pricing issues. These have been a matter of great concern in the past for users of airports, and the ACCC regularly monitors and reports on them. A report was done by the Productivity Commission on fees charged by airport lease owners for airport users. It was completed in December 2006 but has not yet been publicly released by the government. While not an issue for the Airports Amendment Bill 2006, pricing may be a matter of future concern.

There are two issues here. One is that airport owners now derive a significant part of their income from non-airport related activities—that is, from leasing and developing their land assets. As we further have the situation where the airport lessees derive a great deal of income from non-aviation uses, it is going to be harder and harder to achieve changes if there have been any decisions that non-aviation usage should be limited or reduced. The tourism industry, for example, is reportedly very happy with the latest results of privatisation in terms of the usage numbers being up and so on but again expresses concerns about non-aviation related uses.

Those three issues illustrate very well one of the problems of privatisation. It may well be justified but then we have the issue of how much control of these essential services government retains or loses versus how much certainty a business would have in leasing that business. The current lessees of those airports signed the contract under a certain number of conditions with a reasonable expectation of being able to go into the future with those conditions and to develop their business as they saw fit. If parliament is constantly making changes to their operating conditions then that becomes a severe problem for them, and one that would not have been envisaged under the privatisation process. I do not imagine that when the government privatised the airports it quite imagined the airport lessees would be as innovative and entrepreneurial in the leasing of the land as they have in fact been.

There is a lot of discussion about whether regulation should be heavy-handed or light-handed. In fact, I think it is much more easily perceived as complicated regulation versus...
clear regulation. Every time we come back into this parliament and pass another bill which puts on another layer of regulation or modifies regulation, it becomes a much more complicated form of regulation rather than clear regulation that is logical, consistent and persistent.

This is one of the clear problems of privatisation and one of the reasons the Labor Party at least enter into it very warily. It is not only for ideological reasons but because we see exactly these sorts of problems arising time after time. The government’s specifications do not always clearly see well into the future and lessees might develop more competition and innovation. There might be great advantages on the business side of the equation but there are things not envisaged by the government in the privatisation which need to be redressed. Then we run into this issue of how much the government should be interfering in the running of a business by a company which took out a contract at the time of the privatisation.

Certainly, we cannot talk about competition here because, as has been pointed out in previous speeches, most of the airports are monopolies. This may be another factor that is driving this debate. State governments, local governments and business competitors see this as a monopoly in terms of both the business that runs it and Commonwealth control. Therefore there is a perception that there is very little ability to influence the way the business operates.

I am fairly certain that the government’s amendments will not see the end of this criticism of planning and development regulations, noise issues and non-aviation development issues. That is a great pity because it means that the lessees of those airports will not have certainty in their businesses in the future. We may well come back into the parliament on this. Certainly, the state government bodies, as demonstrated by the letter from the Chair of the Council for the Australian Federation, Mike Rann, have some very clear concerns about problems into the future, and we have not seen the end of non-aviation airport development. Clearly, airports are crucial infrastructure in our country and it is important that the government get it right this time. Unfortunately, it appears that they have not found the solution to it in this instance.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (10.42 am)—In summing up, I thank senators for their contributions to the debate on the Airports Amendment Bill 2006, which forms the keystone of the government’s regulatory regime for the 22 leased federal airports. The privatisation of these airports has fostered a vibrant industry that has enabled airports to grow as commercial businesses with minimal government intervention. The network provided by the leased federal airports regulated under the Airports Act forms the backbone of the country’s aviation and transport infrastructure. Coming from Western Australia as I do, I can say that this is a very vital part of the day-to-day commercial operation of the whole of our state.

The bill preserves and enhances the open and transparent regulatory regime for land use planning, protection of the environment and control of on-airport building activity provided for by the Airports Act. However, the government acknowledges that a number of concerns have been raised during debate on this bill and by the Senate Standing Committee on Rural and Regional Affairs and Transport following its inquiry into the bill. The government welcomes this scrutiny and will be responding to a number of these issues with amendments to the original bill. I will outline these amendments and speak on them briefly now with a view to minimising
the amount of time taken to process the government’s amendments. I will also seek to speak to some of the opposition amendments.

I turn briefly to the key reform elements within the bill. The bill seeks to reaffirm the clear intention of the government to provide for non-aeronautical development on airports provided that such development is consistent with the airport lease and approved master plan. It proposes to exclude the Canberra Airport from the operation of the National Capital Plan, as approved by cabinet in March 2006. The proposed amendment will see Canberra Airport having to meet the same land use development and planning regimes as other leased federal airports.

The bill will provide a stop-the-clock provision, which allows the minister to seek additional information and research on airport major development proposals. This will enable the minister to better deal with any major development proposals where they consider that further information is required to assess the proposal. Currently the minister can only approve or reject a development proposal within a 90-day period or the project is deemed to be approved. This provision in the bill will encourage airports to provide more comprehensive planning documents in order to benefit from a streamlined assessment process—and I may have more to say about that in addressing some of the amendments of the opposition.

The bill also seeks to streamline the public comment and assessment periods for master plans, major development plans and environmental strategies. This will reduce the public comment period for master plans and major development plans from 90 calendar days—which is effectively 65 business days—to 60 business days. The bill requires better access to key planning and development proposals to be provided to the community by airports through requiring proposals to be readily available free of charge on a website. This will ensure that the public have ready access to associated documents in electronic form, free of charge, to assist in their providing comment on land use proposals within their communities. The bill will increase the dollar threshold for triggering major development plan requirements from $10 million to $20 million to reflect the increased cost of construction. This will not affect the requirement that all proposals which have environmental impact must be assessed under a major development plan.

The bill inaugurates a requirement that master plans provide better information for communities on flight paths and the noise exposure contours for an airport. This will require improved information regarding aircraft noise exposure levels and indicative flight paths. Also, it requires that, where a proposed major development has been approved, construction must be substantially completed within five years of the approval being given or else approval will lapse. It requires an airport lessee company to demonstrate to the minister how it had due regard to all public comment when preparing its draft master plans and major development plans. Currently the airport company need only state that it had due regard, and need not explain or describe how such regard was obtained. Further to this, the bill makes provision for allowing for non-aeronautical projects which are staged over a finite period and individually do not trigger the dollar threshold provided for in the Airports Act to be viewed as a single major airport development which must be progressed in accordance with the act. This removes the scope for airports to break up projects to avoid lodging plans for major development approval.

The bill also makes land clearing on airport sites a notifiable building activity re-
quiring approval. This strengthens the ability to regulate land clearing on airport sites. It also includes purpose and objective statements relating to airport master plans in line with that recommendation from the June 2000 Senate committee inquiry into the Brisbane Airport master plan. Complementary changes are proposed with regard to airport environment strategies and airport major development plans. The bill also allows for an airport master plan to include forecasts and other matters that extend beyond the 20-year planning period, enabling state and territory land use planning agencies to implement long-term planning goals that are compatible with all airports’ proposed aeronautical operations in the future.

The bill also requires an airport lessee company to prepare a new draft master plan should, since the current master plan was approved, a more recent aircraft noise forecast for the airport be enclosed. Also, it provides for regulations to be made which will facilitate the timely update of airside vehicle control handbooks published by airport operator companies. It will enhance the controls over gambling activities presently provided for by regulation. And it requires all providers of air traffic control and rescue firefighting services to obtain appropriate approvals from the Civil Aviation Safety Authority.

With respect to the government’s amendments, I reaffirm that we recognise the number of issues and concerns raised in the debate on this bill in both chambers and through the Senate committee process. The Standing Committee on Rural and Regional Affairs and Transport supported passage of the bill with two amendments: firstly, that airport lessee companies be required to provide notice to relevant state and local government organisations when key planning documents are released for public comment and, secondly, that the airport lessee companies be required to provide copies of all public submissions when lodging these documents for approval under the Airports Act 1996. The government fully supports these two key recommendations, and the amendments being moved will give effect to them. These changes, which require the airport operator to advise local planning authorities of proposed developments on airports and provide the Minister for Transport and Regional Services with copies of all public documents, will add greater transparency to the airport planning process.

The government does not, however, support the secondary recommendation from the committee report which included reversing the current deemed approval provision, requiring all consecutive or concurrent projects to be considered as a single development and having all social, economic and environmental impact studies and assessments made available to the public. The removal of the current deemed approval provision and certainty of decision making that this provision provides was a theme repeated in the opposition’s amendments that were moved and subsequently defeated in the House of Representatives. Such an amendment could only serve to generate uncertainty with regard to future major airport developments. The opposition would seek to add to this uncertainty by requiring the Department of Transport and Regional Services to employ town planners. The department does employ some town planners. However, the assessment of a major airport development requires a myriad of skills, including a comprehensive understanding of the aviation industry and the environment. The department obtains information and expertise from a range of portfolio and external sources on relevant issues such as security, safety, town planning et cetera, as required, in assessing those developments.

Uncertainty in planning and burdensome regulation, as promoted by the opposition in
their amendments, would stifle the development of key national transport infrastructure, a situation which one can observe internationally in some other countries with privatised airports. Impediments of this nature to airport development would be exacerbated by the recent calls from state premiers to hand over planning jurisdiction for non-aeronautical development at the leased federal airports. Such a move would expose the development of these key national transport infrastructure assets to the uncertain, unpredictable and often unending planning regimes of state and local government, a move which is not supported by the government nor, I would suggest, by the public. Indeed, may I pause here in my comments on the bill to say that in Western Australia we have seen an enormous number of problems with a moribund and highly technical bureaucratic planning process. What this has yielded is a government of largesse and patronage wherein two people—and we all know who they are—have benefited greatly from offering to business a rite of passage through the planning and environmental procedures of my home state in circumstances where the Crime and Corruption Commission has carried out extensive investigations with respect to how that has occurred. This government seeks to avoid that type of network and web of bureaucratic red and green tape at all costs.

I note in this regard that the Greens have sought to move an amendment to have all major development plans of a non-aeronautical nature be subject to local and state planning laws and payment of rates. Firstly, with respect to the payment of rates, all non-aeronautical developments on airports are already required to pay rates through the ex gratia rates clause, which I believe, from memory, is clause 24 in the airport lease agreements. Secondly, and further to my comments above on the calls by the state premiers to regulate non-aeronautical developments, this amendment would create a legal and planning minefield. According to the Greens, their amendment attempts to subject non-aeronautical developers to state and territory local planning laws, but it does not achieve this result. Major development under section 89(1)(e), for example, could include an aircraft maintenance facility on the airport and would, under this amendment, be subject to state and territory and local planning laws.

This highlights how difficult it would be in practice to determine what a non-aeronautical development is. For example, is an air freight distribution centre established on the airport for sound logistical and freight requirements a non-aeronautical development or a non-aeronautical development? The recent decision by the Deputy Prime Minister and Minister for Transport and Regional Services on the Sydney major development plan highlights the need for the Commonwealth to retain planning control. This complex decision involved consideration both of aviation and safety issues and of off-airport impacts on the road network. In line with this commitment to transparent airport planning, as indicated in the media release by the Minister for Transport and Regional Services on 13 February 2007, the government is also moving an amendment in response to specific concerns of the proposed reduction in the time for public consultation on airport master plans, major development plans and environmental strategies.

This amendment will alter the original reduction in consultation from 90 calendar days to 45 business days to allow for a public consultation period of 60 business days. In contrast, the opposition amendments attempt to increase the public comment period to 90 business days—in other words, some 126 calendar days, which is over four months. In line with what we have seen in the states in
terms of planning, this is moribund; it puts weight on the hose; it is a 'standing on the hose' exercise which business cannot tolerate, particularly when airports operate to tight time frames and schedules. This is going too far in terms of balancing the committee’s needs versus a timely development of application process. The government amendment ensures that the benchmark for public consultation in the development of statutory planning documents—at the least, federal airport sites—is one of the longest when compared with other state and territory government planning regimes. To be perfectly clear, the government encourages consultation between airports and their communities, but equally important is the need to have a timely development application process which is simple and cost efficient.

In addition, the government’s airport consultation guidelines released in December 2006 set out the government’s expectations with regard to reports such as economic impact statements and road traffic studies. Further amendments to the bill sought by the opposition are also not supported by the government. In particular the opposition seeks to place an obligation upon the minister to provide to relevant state and territory planning agencies or local government authorities a statement of reasons for a decision if a minister’s decision is not in accordance with their submissions.

The government notes that there are already established processes under section 242 of the Airports Act 1996. A person whose interest is affected by the decision is able to obtain a written statement of reasons from the minister and may appeal to the Administrative Appeals Tribunal to review the decision upon its merits. In addition, judicial review is available from the Federal Court under the Administrative Decisions (Judicial Review) Act 1977. Accordingly, the government sees no need to provide an additional requirement to provide reasons for a decision.

The opposition also seeks to remove the current deemed approval provisions under the Airports Act 1996. I have already made the government’s position on this clear. However, the proposed amendment goes further and has the effect of removing the time frame for the minister to consider a development. Therefore, there would be no obligation on a minister to make any decision within a specified time period, something more akin to the state and territory and local government planning processes, which I have already said are a bit of a dog’s breakfast.

While noting that there have been no deemed approvals under the act since its inception in 1996, the government further notes that the introduction of the stop-the-clock provisions will ensure that the minister is able to make an informed decision to approve or reject a development within the statutory period. The government’s view is that the current provisions provide an appropriate balance with the incentive for the minister to resolve the issue without unnecessary delay.

Finally, the opposition seeks to impose upon airports a requirement that they negotiate in good faith with the state and territory governments and/or local authorities on infrastructure requirements for off-airport impacts associated with the development. This would likely lead to a plethora of claims by the respective governments and authorities, many of which may not be directly related to the development or should be properly funded by governments or authorities. The government considers that this issue is best addressed on a case-by-case basis. There are a number of recent examples where there have been conditions placed on a number of approved developments. For example, traffic
mitigation measures and infrastructure contributions have been required in respect of the Essendon Airport Outlet Centre, the Sydney airport international terminal precinct works and the brickworks at Perth airport. In addition there are examples of the airports and state and territory and local governments voluntarily reaching separate agreements on off-airport infrastructure costs directly associated with the development. Under the lease agreements airport lessee companies are required to make rate equivalent payments to their local governments, which is only fair. But the opposition’s amendment would provide unscrupulous governments with the opportunity to demand payment for services they should be providing. This legislation is not about helping governments to cost shift. Having addressed the opposition’s amendments and having dealt with government amendments, I commend the bill to the Senate.

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

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

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (10.58 am)—by leave—I move government amendments (1) to (33) together:

(1) Schedule 1, page 9 (after line 14), after item 40, insert:

40A Before subsection 79(1)

Insert:

Advice to State or Territory etc.

(1A) Before giving the Minister a draft master plan for an airport under section 75, 76 or 78, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft master plan:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;
(b) the authority of that State or Territory with responsibility for town planning or use of land;
(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft plan submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and
(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 79 is altered by adding at the end “and advice to State or Territory etc.”.

40B Subsection 79(1)

Omit “Before giving the Minister a draft master plan for an airport under section 75, 76 or 78, the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft master plan, the company must also”.

Note: The following heading to subsection 79(1) is inserted “Public comment”.

(2) Schedule 1, item 42, page 9 (line 18), omit “45”, substitute “60”.

(3) Schedule 1, item 43, page 9 (line 24), omit “45”, substitute “60”.

(4) Schedule 1, item 45, page 9 (line 31), omit “45”, substitute “60”.

(5) Schedule 1, item 47, page 10 (lines 8 and 9), omit the item, substitute:

47 Subsection 79(2)

Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with
the notice, the draft plan submitted to the Minister must be accompanied by:
(a) copies of those comments; and
(b) a written certificate signed on behalf of the company:
(i) listing the names of those members of the public; and
(ii) summarising those comments; and
(iii) demonstrating that the company has had due regard to those comments in preparing the draft plan; and
(iv) setting out such other information (if any) about those comments as is specified in the regulations.

47A Paragraph 80(1)(b)
After “consulted”, insert “(other than by giving an advice under subsection 79(1A))”.

(6) Schedule 1, item 48, page 10 (lines 10 to 28), omit the item, substitute:

48 After section 80
Insert:

80A Minister may request more material for making decision
(1) This section applies if an airport-lessee company gives the Minister a draft master plan or a draft variation of a final master plan.

(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 81(2) or 84(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.

Time does not run while further material being sought
(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 81(5) or 84(3), as applicable, if it is:
(a) on or after the day the Minister requested the material; and
(b) on or before the day on which the Minister receives the last of the material requested.

(7) Schedule 1, page 11 (after line 17), after item 56, insert:

56A Before subsection 84A(1)
Insert:

Advice to State or Territory etc.

(1A) Before giving the Minister a draft variation of a final master plan for an airport under subsection 84(1), the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft variation:
(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;
(b) the authority of that State or Territory with responsibility for town planning or use of land;
(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft variation submitted to the Minister must be accompanied by:
(a) a copy of the advice given under subsection (1A); and
(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 84A is altered by inserting “and advice to State or Territory etc.” after “comment”.

56B Subsection 84A(1)
Omit “Before giving the Minister a draft variation of a final master plan for an airport under subsection 84(1), the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft variation, the company must also”.
Note: The following heading to subsection 84A(1) is inserted “Public comment”.

(8) Schedule 1, item 63, page 12 (lines 14 and 15), omit the item, substitute:

63 Subsection 84A(2)
Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with the notice, the draft variation submitted to the Minister must be accompanied by:

(a) copies of those comments; and
(b) a written certificate signed on behalf of the company:
   (i) listing the names of those members of the public; and
   (ii) summarising those comments; and
   (iii) demonstrating that the company has had due regard to those comments in preparing the draft variation; and
   (iv) setting out such other information (if any) about those comments as is specified in the regulations.

(9) Schedule 1, page 14 (after line 24), after item 78, insert:

78A Before subsection 92(1)
Insert:
Advice to State or Territory etc.

(1A) Before giving the Minister a draft major development plan, the airport-lessee company concerned must advise, in writing, the following persons of its intention to give the Minister the draft major development plan:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft plan submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and

(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 92 is altered by adding at the end “and advice to State or Territory etc.”.

78B Subsection 92(1)
Omit “Before giving the Minister a draft major development plan, the airport-lessee company concerned must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft major development plan, the company must also”.

Note: The following heading to subsection 92(1) is inserted “Public comment”.

(10) Schedule 1, item 80, page 14 (line 28), omit “45”, substitute “60”.

(11) Schedule 1, item 81, page 15 (line 4), omit “45”, substitute “60”.

(12) Schedule 1, item 83, page 15 (line 11), omit “45”, substitute “60”.

(13) Schedule 1, item 85, page 15 (lines 19 and 20), omit the item, substitute:

85 Subsection 92(2)
Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the draft version in accordance with the notice, the draft plan submitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:
   (i) listing the names of those members of the public; and
(ii) summarising those comments; and
(iii) demonstrating that the company has had due regard to those comments in preparing the draft plan; and
(iv) setting out such other information (if any) about those comments as is specified in the regulations.

85A Paragraph 93(1)(b)
After “consulted”, insert “(other than by giving an advice under subsection 92(1A))”.

(14) Schedule 1, item 86, page 15 (line 21) to page 16 (line 9), omit the item, substitute:
86 After section 93
Insert:
93A Minister may request more material for making decision
(1) This section applies if an airport-lessee company gives the Minister a draft major development plan or a draft variation of a major development plan.
(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 94(2) or 95(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.
Time does not run while further material being sought
(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 94(6) or 95(3), as applicable, if it is:
(a) on or after the day the Minister requested the material; and
(b) on or before the day on which the Minister receives the last of the material requested.

(15) Schedule 1, page 16 (after line 17), after item 89, insert:
89A At the end of subsection 94(7)
Add:
89A Note: For examples of conditions imposed under this subsection, see section 94A.

(16) Schedule 1, page 16 (after line 31), after item 91, insert:
91A After section 94
Insert:
94A Examples of conditions
Without limiting subsection 94(7), the following conditions may be imposed under that subsection:
(a) a condition relating to the ongoing operation of a development to which a major development plan relates;
(b) a condition requiring the preparation, submission for approval by a specified person, and implementation, of a plan for managing the impact, on an airport and an area surrounding an airport, of a development to which a major development plan relates.

(17) Schedule 1, items 97 and 98, page 17 (lines 20 to 28), omit the items, substitute:
97 Before subsection 95A(1)
Insert:
Application of section
(1A) This section applies if the Minister has, under paragraph 95(2)(c), required a draft variation of a major development plan for an airport to be subject to public comment under this section.
Advice to State or Territory etc.
(1B) Before resubmitting the draft variation to the Minister, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to resubmit the draft variation to the Minister:
(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;
(b) the authority of that State or Territory with responsibility for town planning or use of land;

c) each local government body with responsibility for an area surrounding the airport.

(1C) The draft variation resubmitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1B); and

(b) a written certificate signed on behalf of the company listing the names of those covered by subsection (1B) to whom the advice was given.

Note: The heading to section 95A is altered by inserting “and advice to State or Territory etc.” after “comment”.

98 Subsection 95A(1)

Omit “Before giving the Minister a draft variation of a major development plan for an airport under subsection 95(1), the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1B), but before resubmitting the draft variation to the Minister, the company must also”.

Note: The following heading to subsection 95A(1) is inserted “Public comment”.

(1B) Before giving the Minister a draft environment strategy for an airport under section 120, 121 or 123, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft environment strategy:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft variation; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

(19) Schedule 1, item 120, page 20 (lines 19 to 24), omit the item, substitute:

120 At the end of Division 6 of Part 5

Add:

112A Exclusion of Part III of Australian Capital Territory (Planning and Land Management) Act

(1) Part III of the Australian Capital Territory (Planning and Land Management) Act 1988 does not apply in relation to Canberra Airport.

(2) In particular, despite section 10 of that Act, Canberra Airport is not a Designated Area for the purposes of that Act.

(20) Schedule 1, page 21 (after line 14), after item 125, insert:

125A Before subsection 124(1)

Insert:

Advice to State or Territory etc.

(1A) Before giving the Minister a draft environment strategy for an airport under section 120, 121 or 123, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft environment strategy:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.
(1B) The draft environment strategy submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and

(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 124 is altered by adding at the end “and advice to State or Territory etc.”.

125B Subsection 124(1)  
Omit “Before giving the Minister a draft environment strategy for an airport under section 120, 121 or 123, the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft environment strategy, the company must also”.

Note: The following heading to subsection 124(1) is inserted “Public comment”.

(21) Schedule 1, item 127, page 21 (line 18), omit “45”, substitute “60”.

(22) Schedule 1, item 128, page 21 (line 24), omit “45”, substitute “60”.

(23) Schedule 1, item 130, page 21 (line 31), omit “45”, substitute “60”.

(24) Schedule 1, item 132, page 22 (lines 8 and 9), omit the item, substitute:

132 Subsection 124(2)  
Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with the notice, the draft strategy submitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft strategy; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

132A Paragraph 125(1)(b)  
After “consulted”, insert “(other than by giving an advice under subsection 124(1A))”.

(25) Schedule 1, item 133, page 22 (lines 10 to 29), omit the item, substitute:

133 After section 125  
Insert:

125A Minister may request more material for making decision  
(1) This section applies if an airport-lessee company gives the Minister a draft environment strategy or a draft variation of a final environment strategy.

(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 126(2) or 129(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.

Time does not run while further material being sought  
(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 126(5) or 129(3), as applicable, if it is:

(a) on or after the day the Minister requested the material; and

(b) on or before the day on which the Minister receives the last of the material requested.

(26) Schedule 1, page 28 (before line 29), before item 170, insert:
169A Section 4 (at the end of the definition of Designated Area)

Add:

Note: Canberra Airport is not a Designated Area: see section 112A of the Airports Act 1996.

(27) Schedule 1, item 170, page 29 (line 2), omit “The Plan does not apply to”, substitute “This Part does not apply in relation to”.

(28) Schedule 1, item 171, page 30 (line 17), omit “41”, substitute “40A”.

(29) Schedule 1, item 171, page 30 (line 26), omit “57”, substitute “56A”.

(30) Schedule 1, item 173, page 31 (line 28), omit “79”, substitute “78A”.

(31) Schedule 1, item 173, page 32 (lines 3 and 4), omit “, 105 and 106”, substitute “and 105”.

(32) Schedule 1, item 173, page 32 (line 7), after “items”, insert “97 and”.

(33) Schedule 1, item 174, page 33 (line 14), omit “126”, substitute “125A”.

I table the explanatory memorandum relating to the government amendments to be moved to this bill. The memorandum was circulated in the chamber on 27 March 2007.

Senator O’BRIEN (Tasmania) (10.59 am)—I am happy provided it is understood that we would not want all the amendments put together, because our position will differ in relation to some of the amendments. They can either be dealt with separately or we would ask for them to be put in two blocks, and I will describe those in my contribution. On that basis, we are not objecting to them being dealt with together provided that is understood.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (10.59 am)—Madam Temporary Chair, I have no problems with that. I am happy for the honourable senator to speak to blocks of amendments. He may speak to them in any way that he likes. I am happy to re-put the amendments in terms of the blocks that he would require if that assists him. I would not imagine that there would be any difficulty in speaking to all of them in any shape or form that he would require.

The TEMPORARY CHAIRMAN (Senator Moore)—We will proceed with them together, by leave, and then we will vote on them in separate batches. We will proceed to deal with government amendments (1) to (33).

Senator O’BRIEN (Tasmania) (10.59 am)—The second reading debate contained some matters that I did not have a chance to address, so I would like to put a brief comment on the record now. I did say that it is the opposition’s view that the Commonwealth should retain control of the planning and development of airport land. We should note, however, that we support recommendation (d) of Premier Rann’s letter to the Prime Minister dated 5 March 2007. Recommendation (d) states that if non-aviation development control remains with the Australian government ‘it should provide clarification as to how it will enforce conditions of development approval placed on airport lessee companies’ and what role state and territory governments are expected to play in relation to these conditions. In addition, amendments should be made to the Airports Act 1996 to require the Minister for Transport and Regional Services to formally consult the state, territory and local governments concerning a master plan or any development application and to take into consideration the state, territory and local government planning policies governing the region in which the airport is located when making an approval decision.

The shadow minister for transport has advised me that he would be happy to work with the premiers to implement this recommendation when Labor is in government. But he does not support the handing over of
planning responsibility to states and territories. Non-aviation development is a very important part of aviation operations and is a critical source of funding for future aviation development. This has relieved what could have been a big burden on taxpayers in the future. Airports are strategic national infrastructure items, and airport development is contentious by its very nature. The right level of government to deal with airport planning is the federal government, and Labor, in government, will continue to support that principle.

In relation to this block of amendments, we are pleased that the government has taken up recommendations 1 and 2 of the Senate committee report on the bill and Labor support those amendments moved by the government which have that effect. It is certainly worth while to directly notify state and local government authorities of the commencement of consultation processes and to ensure that the minister receives actual submissions on proposals rather than just the summary provided by the airport lessee. That is an improvement which the opposition will be supporting. However, we do not support any shortening of consultation or approval time lines. The government has brought that on itself through its failure to properly administer the Airports Act and engender community confidence in its administration. There was no missing the contribution from Senator Sterle about the Perth brickworks. That particular project is an example of this government’s poor processes and disregard for community concerns. So we will not be supporting the shortening of consultation or approval time lines in any form.

We have no objection to other minor amendments being put forward by the government relating to requests for more information, examples of conditions that may be set and the exclusion of Canberra airport from the National Capital Plan. We will therefore be supporting the amendments which have that effect in the legislation. That is our response in summary.

In the debate we will be asking that the amendments be put into two blocks and that, to shorten contributions, the smaller of the two blocks be items in the government Airports Amendment Bill schedule of amendments—the document that I have does not have a number on it but apparently it is the only one—those being amendments (2), (3), (4), (10), (11), (12), (21), (22) and (23) as one block and the rest as the other block.

Senator MILNE (Tasmania) (11.04 am)—I rise to comment on the government’s amendments. I too am pleased that the government has noted the concerns of many senators—particularly of those on the Senate Standing Committee on Rural and Regional Affairs and Transport as a result of its hearings—over what was a ridiculous process. You had the situation where the community’s feedback via submissions to any development were taken by the developer, summarised by the developer and then given to the federal minister for decision without the original comments going to the minister. As no developer was going to summarise the objections to their development in the manner of the person who put them forward, what you had was a distorted reflection going to the federal minister of the extent of public opposition to or concerns about any development. It is a big improvement that now not only the developer’s summary of the objections and submissions will go to the federal minister but also all of the submissions in their original form will go to the minister so he can make a judgement for himself or herself as to the adequacy of the assessment of those submissions.

While I am really pleased that the government has done that, I am really disappointed that the government has not taken on
board the recommendation of the non-
government senators saying:
The non-government Senators consider that the
public consultation process will be much im-
proved if airport-lessee companies, as part of the
public comment process, make available to the
general public copies of assessments undertaken
to assess the social, environment and economic
impacts of the development.

This is particularly pertinent to the Hobart
‘big box’ development because we have a
situation where a social and economic im-
 pact statement for that development was not
made public. To this day it has still not been
made public. As a result of pressure in the
state parliament, a brief summary was eventu-
ally released which said it is not expected
to lead to significant adverse economic im-
 pact on other retail centres in the surrounding
area—and that came from the developer.

I simply cannot understand how that could
be logical when they are proposing a retail
development, 77,000 square metres of new
shops, in a city with fewer than 250,000
people. How is this possible? Of course it is
going to have an impact on other retail cen-
tres. In fact, many people are saying that it
will effectively make the CBD the dead heart
of Hobart because it is going to put so much
pressure on local retail businesses and other
retail businesses in other shopping centres
around the city. How can such a huge de-
velopment be seen as not having an adverse
impact? We have not had the benefit of the
impact assessment. That is wrong. People are
invited to make submissions on a develop-
ment, and a key document, the social and
economic impact statement for that de-
velopment, is kept secret. It is my view that it
was kept secret because any proper analysis
would determine that it is going to have an
adverse economic impact. I think it is wrong.

I would be interested to know from the
minister why the Commonwealth does not
think it is appropriate that the community
have access to that information at the time
that they are making their public submissions
in response to a development application. In
my view it is not fair process, proper pro-
cess, to keep those documents secret, espe-
cially in this case where it turns out that the
developer is the Tasmanian government.

Again, that is a deception that has gone on in
Tasmania. A development application was
put forward by a company which the public
were unaware is one hundred per cent owned
by the state government. We then had Tas-
manian government ministers saying: ‘Oh,
 isn’t it terrible! The Commonwealth are go-
ing to make this decision; they are taking it
out of our own planning laws.’ Yes—and the
state government is the developer. Paul Len-
non, the Premier of Tasmania, with one
phone call could have had the social and
economic impact statement released, but he
chose not to do it. He chose to shut the pub-
lic out just as he is currently doing with the
pulp mill proposal.

I would like to know from the minister
what justification the Commonwealth has for
not requiring the public submissions to go to
the minister through this formal process and
why the Commonwealth will not require that
these social, environmental and economic
impact statements also be made available
before the period for acceptance of public
submissions closes. That is an absolutely
critical point, particularly in relation to this
Hobart development, because I think in years
to come a great many people around the
Hobart CBD and other shopping centres will
not be able to compete with this megadevel-
opment, this direct factory outlet, at Hobart
airport. The onus is then going to be on the
Tasmanian and federal governments to ex-
plain why the economic analysis was never
made public and why the public were not
told about what was going on in relation to
that. I would be interested to know what the
minister has to say.
I am going to move my amendment a bit later and comment on that in relation to state government approvals, but I have to say I think it is pretty lame to say there will be confusion about what is an aviation purpose and what is a non-aviation purpose in terms of commercial development. It is pretty clear to me that a direct factory outlet has nothing to do with aviation activities, and, in the context of the letter the state premiers have written to the federal minister, that is obviously what they think. In fact, the state premiers support the intent of the amendment I intend to shortly move on restoring state, territory and local by-laws and planning laws in relation to these developments. I heard what the minister had to say about ex gratia rates payments, but the issue here becomes that those rates payments are made, in this case, to the state government and will bypass local government. But it is local government that has to provide many of the facilities—roads, water, amenities and so on—and deal with the environmental impacts in their local government area. So I am interested to know about that. I also asked last night, Minister, where the Hobart megastore development is up to in its planning process. Senator Scullion was representing the government last night. I would like an indication from the minister where that is up to.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (11.12 am)—The individual workings and commercial plans of lessees are not relevant to the bill, and I do not propose to get into that. This is not the proper forum to be asking probative questions about the conduct of the lessees. You can certainly make commentary about them, using examples of the workings of the legislation, but I am not going to get into answering questions on a cross-examination basis on conduct or plans into the future. The lessees are now required to make public all of their development plans. Upon making those development plans, the mechanisms that I have set out in my second reading speech come into play such that the public, the community, local government and state government have the opportunity to interact with the lessees and with the Commonwealth government as to the plans that are proposed.

Senator MILNE (Tasmania) (11.12 am)—That still does not answer my question. Surely, the environmental, social and economic impact statements for the development are not commercial-in-confidence. This is a major development plan. If it were going through normal planning laws, that is what you would be expected to provide to the public so that they could make comment. If you say that they can somehow provide their development plan and there can be some sort of interaction, yes, there can be, but what if they refuse to provide it? If there is no way in the legislation that the Commonwealth requires that to be made public during the process then it simply will not happen. So I again ask the minister: why won’t the Commonwealth guarantee that the social, environmental and economic impact statements required for developments be made public in the consultation process?

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (11.13 am)—I have answered that question.

The TEMPORARY CHAIRMAN (Senator Moore)—The question is that the first block of government amendments—(2) to (4), (10) to (12) and (21) to (23)—on sheet PD271 be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN—The question is that the second block of government amendments—(1), (5) to (9), (13) to (20) and (24) to (33)—on sheet PD271 be agreed to.

Question agreed to.
Senator O’Brien—We did not choose to divide on those amendments, but we opposed (2) to (4), (10) to (12) and (21) to (23) and we supported the others. I make that clear just for the record, so that the opposition’s position is clearly recorded without requiring everyone to traipse into the chamber and record it.

The TEMPORARY CHAIRMAN—Thank you.

Senator O’Brien (Tasmania) (11.15 am)—by leave—The opposition oppose schedule 1 in the following terms:

(1) Schedule 1, item 42, page 9 (lines 17 and 18), **TO BE OPPOSED**.
(3) Schedule 1, item 45, page 9 (lines 30 and 31), **TO BE OPPOSED**.
(5) Schedule 1, item 51, page 11 (lines 4 and 5), **TO BE OPPOSED**.
(6) Schedule 1, item 56, page 11 (lines 16 and 17), **TO BE OPPOSED**.
(7) Schedule 1, item 58, page 11 (lines 20 and 21), **TO BE OPPOSED**.
(9) Schedule 1, item 61, page 12 (lines 5 and 6), **TO BE OPPOSED**.
(10) Schedule 1, item 69, page 13 (lines 7 and 8), **TO BE OPPOSED**.
(11) Schedule 1, item 80, page 14 (lines 27 and 28), **TO BE OPPOSED**.
(13) Schedule 1, item 83, page 15 (lines 10 and 11), **TO BE OPPOSED**.
(20) Schedule 1, item 95, page 17 (lines 15 and 16), **TO BE OPPOSED**.
(21) Schedule 1, item 100, page 18 (lines 1 and 2), **TO BE OPPOSED**.
(23) Schedule 1, item 103, page 18 (lines 14 and 15), **TO BE OPPOSED**.
(24) Schedule 1, item 112, page 19 (lines 19 and 20), **TO BE OPPOSED**.
(25) Schedule 1, item 127, page 21 (lines 17 and 18), **TO BE OPPOSED**.
(27) Schedule 1, item 130, page 21 (lines 30 and 31), **TO BE OPPOSED**.
(29) Schedule 1, item 136, page 23 (lines 4 and 5), **TO BE OPPOSED**.
(30) Schedule 1, item 141, page 23 (lines 16 and 17), **TO BE OPPOSED**.
(31) Schedule 1, item 147, page 24 (lines 12 and 13), **TO BE OPPOSED**.

I move opposition amendments (2), (4), (8), (10), (12), (14), (22), (26) and (28) on sheet 5237:

(2) Schedule 1, item 43, page 9 (line 24), omit “45 business”, substitute “90”.
(4) Schedule 1, item 48, page 10 (line 23), omit “as a business day”.
(8) Schedule 1, item 59, page 11 (line 27), omit “15 business”, substitute “30”.
(12) Schedule 1, item 81, page 15 (line 4), omit “45 business”, substitute “90”.
(14) Schedule 1, item 86, page 16 (line 4), omit “as a business day”.
(22) Schedule 1, item 101, page 18 (line 8), omit “15 business”, substitute “30”.
(26) Schedule 1, item 128, page 21 (line 24), omit “45 business”, substitute “90”.
(28) Schedule 1, item 133, page 22 (line 24), omit “as a business day”.

Our position in relation to those items can be put fairly succinctly: the opposition is opposed to any shortening of public consultation and approval time lines. That is the essence of that array of amendments to various aspects of the bill.

Earlier this year, the Minister for Transport and Regional Services, Mr Vaile, said, ‘I have received a number of representations from government MPs and senators asking me to extend the 45-day working period for consultation to 60 working days.’ If there was historical evidence of the minister having due regard for community and local government concerns when it comes to sensitive airport development, the revised time lines, which would have brought the planning regime into line with state and territory planning processes, may well have been acceptable. But the unwillingness to reduce consul-
tation time lines on our part is a manifestation of our distrust of this government in the implementation of the process.

Following consultations with the shadow minister, Labor members and senators expressed equal concern about the matter—and, for that matter, so do their constituencies. It is a fact that the government’s record on airport development, with the brickworks in Perth and the retail developments in Adelaide and Essendon, for example, demonstrates the reasons we in the Labor Party are not prepared to accept any reduction in consultation or approval times. These processes are very important and the Commonwealth discharges a very significant and onerous responsibility in dealing with them. We believe that it is an appropriate responsibility for the Commonwealth, but we do not believe that at the present time the Commonwealth is demonstrating the necessary level of respect for the views of the community in the way that it is handling this process. In our opinion, our agreeing to these propositions would almost be a decision to accept the government’s bona fides in that regard.

We propose that there be no change to consultation or approval time lines. That will have some effect on the period of time available for proper consultation and the proper consideration of matters. We think that that is appropriate. We think that there is no reason the government could not live with such a proposition and we believe that the industry sector would have no significant problems living with this particular series of amendments. We know that the government is seeking to do otherwise. We cannot support the government’s view, hence we press these amendments.

Senator MILNE (Tasmania) (11.19 am)—I support these amendments. I certainly do not support any reduction in the time for public consultation, especially because of the issue I raised previously. The public should have as much time as is reasonable in order to make a judgement about these major development proposals. Trying to collapse the time just makes for poor decisions in the longer term. I note that the government calls it red tape and green tape. I presume green tape refers to the environmental impact. The economy is a wholly owned subsidiary of the environment, Minister, and it is time that that is reflected in the legislative framework. I certainly support these amendments.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (11.20 am)—I have answered all of those matters in my second reading speech.

The TEMPORARY CHAIRMAN (Senator Moore)—The question is that opposition amendments (2), (4), (8), (12), (14), (22), (26) and (28) on sheet 5237 be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN—the question is that schedule 1 items 51, 56, 58, 61, 69, 95, 100, 103, 112, 136, 141 and 147 stand as printed and that schedule 1 items 42, 45, 80, 83, 127 and 130, as amended, be agreed to.

Question agreed to.

Senator O’BRIEN (Tasmania) (11.21 am)—leave—I move opposition amendments (15) to (19) on sheet 5237 together:

(15) Schedule 1, page 16 (after line 11), after item 87, insert:

87A After subsection 94(1)

Insert:

(1A) The Department must ensure that, before the Minister approves or refuses to approve the plan, an assessment of the plan is made by qualified town planners and comments on the plan by town planners are provided to the Minister.
(16) Schedule 1, page 16 (after line 15), after item 88, insert:

88A After subsection 94(5)

Insert:

(5A) If the Minister’s decision is not in accordance with submissions of relevant State or Territory planning agencies or local government authorities, the Minister must provide a statement in writing setting out the reasons for the decision.

(17) Schedule 1, item 89, page 16 (lines 16 and 17), omit the item, substitute:

89 Subsection 94(6)

Repeal the subsection.

(18) Schedule 1, page 16 (after line 17), after item 89, insert:

89A Subsection 94(6A)

Repeal the subsection.

(19) Schedule 1, item 90, page 16 (after line 27), after subsection (7B), insert:

(7C) The Minister must specify in approval conditions whether it is considered that the proposal will have any impact on off-airport infrastructure and, if so, having regard to relevant rate-equivalent contributions, whether there is a reasonable requirement for the airport-lessee company to negotiate in good faith with relevant State, Territory and/or local government authorities with a view to reaching agreement on appropriate contributions to be made by the airport-lessee company to specific off-airport infrastructure.

Amendment (15) relates to ensuring that the minister receives advice from qualified town planners when making approval decisions about master plans and major development plans. We are aware that the department employs people with such qualifications at the present time; however, we are not aware of any requirement for them to do so. We believe it is important that there be a demonstrable expertise available to the minister in the exercise of his or her responsibilities. It is clear that this amendment would not impose an obligation on the department that it currently does not meet, but it would ensure that the obligation would have to be met in the future. If for some reason this expertise was not available to the minister, we would be concerned about the minister’s ability to be properly advised in relation to the exercise of his or her responsibility. This is what one might, in some circumstances, categorise as a ‘belt and braces’ approach; to not only recognise that expertise is there but also to make sure it is there in the future. It is important that the minister should have this expertise available so that decisions are made with the benefit of the best advice possible.

Amendment (16) introduces a requirement for the minister to provide a written statement of reasons if the minister’s decision is not in accordance with the submissions of relevant state and local government planning authorities. We have put this forward on the basis that there is an onus on the minister—given the responsibility that the Commonwealth takes in relation to the land—for the minister to show why he has not had regard to the concerns or views of local authorities in relation to planning decisions, for example, where it is suggested that the development proposed for the airport will have certain consequences for surrounding areas. If that is the view expressed by a local government authority, it ought to be incumbent upon the minister, now and in the future, to be able to say why those particular concerns were not supported by the minister, rather than simply having no response in relation to those matters. Apart from the fact that these are ordinary courtesies that ought to be extended between the various arms of government, it seems to the opposition if the minister forms a view about a matter which is against that of a state or a local authority, the minister ought to have the strength of argu-
ment to be able to express that in a way that can be made public and that can demonstrate that the Commonwealth has taken into account the submissions that have been made and the concerns that have been raised but has a view that it can argue in relation to why those propositions have not been acceded to.

Amendments (17) and (18) remove the so-called ‘deemed approval provision’ whereby a development is automatically approved if the minister fails to make an explicit decision within the appropriate time frames under the act. We concede there is no history of the minister abrogating his responsibilities when it comes to making decisions within appropriate time frames—not in this portfolio. But there is a history in other portfolios of this government, and I refer to Treasurer Costello’s failure to make a decision on the BHP Billiton Pilbara railway; a critical export infrastructure for iron ore. There is a precedent for the government allowing the effluxion of time to determine the outcome of a particular application process. We do not believe that an application for development ought to be deemed to be approved because the minister has chosen not to do anything or the minister has chosen not to meet the time line required under the act. If the minister has stop-the-clock provisions available, just because they are there does not guarantee that a minister in the future will use those provisions. If a decision were considered difficult, a minister might find—just as Mr Costello found in relation to the experience with the Pilbara railway—that it was easier not to make a decision than to make a decision which would offend one side or another. It is not responsible government for that approach to be taken. We do not think it should be a course available to a minister of any political persuasion. In relation to an application for the development of an airport, given that most airports are surrounded by urban development, it is not an option that the minister can simply close his eyes and wish the application would go away and therefore has the application approved by a lapse of time and nothing else. We believe that the deemed approval provisions should not stand.

Amendment (19) requires the minister to specify in approval conditions whether it is considered that the proposal would have an impact on off-airport infrastructure and whether there is a reasonable requirement for the airport lessee company to negotiate appropriate contributions to that infrastructure. Perhaps the minister has finally learnt from the experience of Harbour Town in Adelaide and the Direct Factory Outlet at Essendon that he has to take into account the impact of commercial development on the surrounding infrastructure, such as roads. We say that because the minister did make the right decision this year with respect to the proposed Sydney Airport retail development. That development would have required somewhere between $1 billion and $2 billion worth of road infrastructure investment by the state and local authorities.

We are of the view that it is totally inappropriate to expect that kind of contribution from government and equally inappropriate to clog up the existing road infrastructure without it. If we want to rebuild community trust in the planning regime for airports, it is time for all the parties in the process to lift their game. Certainly it is time for the minister to be more mindful of state and local government planning schemes, to consider the impact of developments on off-airport infrastructure and to make sure that airport lessees are meeting their obligations to make rate equivalent payments and contribute to off-airport infrastructure where that is reasonable.

We say that it is time for airport lessees to engage properly and fairly with all levels of government and community stakeholders, to
propose developments that have due regard to and respect for surrounding land uses, and to pay their way when it comes to associated infrastructure. In some cases, it may well be reasonable for the state and local government authorities to also contribute to surrounding infrastructure, particularly when they are in receipt of substantial rate equivalent payments.

The amendment we propose would require the minister, as I said, to specify, in approval conditions, whether it is considered that such a proposal will have an impact and whether it is reasonable for there to be a requirement for the airport lessee company to negotiate appropriate contributions to that infrastructure. We think that amendment certainly could do no harm in terms of any government’s administration of this legislation and may clarify matters which have been the subject of considerable argument between development proponents on the one hand and local and state authorities on the other. It would be a positive from the Commonwealth’s point of view if they adopted that amendment.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (11.31 am)—I want to make a very short comment on the amendments proposed by the opposition. Every legislative imposition upon the minister’s decision-making capacity creates a further vulnerability to legal challenge which, in turn, increases litigation, delay and costs. That is precisely what the government seek to avoid. We seek to avoid what has unfolded in each of the states with respect to planning. We do not seek to avoid it by imposing a capricious or arbitrary system in this instance. We think that this bill inaugurates reasonable safeguards and provides an efficient and transparent regime for airport lessees to commence their developments in a proper and measured way. That is the difference between the way the opposition looks at these matters and the way we look at these matters. They want to mandate all of the minister’s discretion and make the process vulnerable to lawyers. We say, ‘No, let’s just get on with the job.’

Question negatived.

Senator MILNE (Tasmania) (11.33 am)—by leave—I move Australian Greens amendments (1) to (3) on sheet 5178 together:

(1) Schedule 1, page 20 (after line 16), after item 118, insert:

118A At the end of subsection 112(1)
Add “unless section 112A applies”.

(2) Schedule 1, page 20 (after line 16), after item 118, insert:

118B At the end of subsection 112(2)
Add “; unless section 112A applies”.

(3) Schedule 1, page 20 (after line 18), after item 119, insert:

119CA After section 112
Insert:

112AA Preservation of State, Territory and local planning laws for non-aviation developments

(1) It is the intention of the Parliament that State, Territory and local laws or by-laws relating to planning, development and the assessment and payment of rates are to apply to any major airport development of a kind specified in paragraph 89(1)(e) or paragraph 89(1)(o), unless a development of a kind specified in paragraph 89(1)(o) is for an aviation purpose.

(2) This section operates notwithstanding any other section in this Act.

As has been indicated earlier in the debate, these amendments seek to restore to state, territory and local governments control over planning for non-aviation developments on airport land. This relates to the planning, development and assessment of these airport developments.
As has also been indicated, the Greens supported the opposition amendments requiring ministerial approval to be contingent upon having appropriate town planners involved in the process. This is absolutely critical because these huge developments have considerable impact. They have impact on surrounding areas and we have to be sure that they are consistent with land uses in those areas. We have to look at the potential impact of the proposed developments on existing metropolitan centres.

In the case of the one being proposed for Hobart, we have already had a report done saying that 30 per cent of business will be drained from the Eastlands Shopping Centre by the development that is being proposed for Hobart. But, as I indicated earlier, because the social and economic impact assessment has never been released—and will never be released, by the sound of it—we will have to wait, unfortunately, until after the project is up and running to find that out. That will be an indictment of everybody concerned.

We also need to know, though, what the impact of these developments will be on public transport and other state-provided infrastructure servicing the airport. As has been indicated earlier, the transport system is critically important. That is why getting the town planners involved is absolutely central to a discussion like this. I hate to think what is going to happen in terms of the roads and transport infrastructure in Hobart if this development at the Hobart airport proceeds. And who will bear the costs? Since the state government is the proponent, when and if we have the transport and traffic problems we anticipate because of this development, it will be interesting to see whether the state Premier accepts responsibility for having been behind such a development in the first place without having done appropriate assessments.

As I mentioned earlier, the minister is saying that the problem with this amendment is that it is hard to distinguish between aviation and non-aviation developments. Well, of the three that are there, the proposal for a golf course is clearly not an aviation development, brickworks are not an aviation development, and Direct Factory Outlets is not an aviation development. So in my view—whilst obviously hangars and so on are aviation developments, and there may be some grey areas when it comes to freight and freight arrangements with the airport—with most of these developments it is completely obvious that they are non-aviation developments, that they are being developed on this Commonwealth land because they are seen as lucrative from the point of view of the major developers and that they evade local and state planning laws. We are hearing from the minister that they want to make these decisions quickly and—

Senator Johnston—Efficiently?

Senator MILNE—‘Efficiently’ is the word the Minister for Justice and Customs uses, and I noticed in the paper that the Sydney Airport Corporation chairman, Max Moore-Wilton, has said that the regulatory confusion associated with local and state government participation would paralyse the process and create uncertainty. Alternatively, it might actually lead to a better decision. I disagree with the view that every time a developer wants something expedited quickly any social, environmental or economic impacts become ‘red tape’, ‘green tape’, ‘paralysing processes’ and so on. The courts are there for a purpose. They are there to sort out what is just and unjust. People have rights of appeal, and so should they have.

This situation has been a windfall. At the time this Commonwealth land was made available for airports, the intention was that the land would provide buffer zones and
provide for future planning in relation to aviation development. People were planning ahead for large areas of land for aviation development. The decision to see these areas as a commercial windfall, cut them off from aviation development, turn them into shopping malls, factory outlets, golf courses or brickworks—whatever the Commonwealth deems appropriate or a developer comes up with—and evade the local planning laws is a slap in the face for local communities, local governments and state governments. And there will be additional costs, especially because the minister currently does not have to take into account whether or not these developments are consistent with surrounding areas, the full impact of the developments on metropolitan centres around them or the full impact on infrastructure services—for example, of water and infrastructure services like roads and transport.

I am strongly of the view that the state premiers were right when they wrote to the Prime Minister and asked that control of non-aviation developments on airport land be restored to local and state planning laws. I note that the federal Labor Party is not supporting this contention—at least that is my understanding from what has been said here today—so perhaps the Minister for Local Government, Territories and Roads, the Hon. Jim Lloyd, was right in arguing that if there were a change of government Labor would not be interested in giving back planning control to the states. I will be interested to see what the position of federal Labor is. I presume it is supporting the government in this and therefore not supporting these amendments.

It is a very poor planning process when the federal minister now does not have to engage a town planner to look at these other matters and the government does not require the release of social, environmental and economic impacts, and the communities that live around these areas will suffer accordingly. While I recognise that there will probably not be support for these amendments, either from the government or from the opposition, I think it is an indictment of proper process that this windfall arrangement has been taken out of the hands of the people who have to live with and suffer the consequences and the retail outlets. As I said before, I think Hobart is going to be very much worse off if this development proceeds. If and when it does, the people who are sitting here today supporting this legislation and refusing to support these amendments will have to take some responsibility for that.

Senator O’BRIEN (Tasmania) (11.41 am)—I thought the government might like to make the first contribution, but it is slower off the mark in the debate on these amendments than it was earlier today. I made it clear at the commencement of the committee stage that the shadow minister for transport would be happy to work with premiers to implement some of the recommendations of the Commonwealth and state ministers but that he does not support handing over planning responsibility to the states and territories. It is our view that non-aviation development is a very important part of airport operations. It is a critical source of funding for future aviation development. Labor’s decision to privatisate the airports has relieved the taxpayers of a very large burden for the future. Airports are a strategic national infrastructure item and airport development is contentious by its very nature.

The opposition’s view is that federal government is the right level of government to deal with airport planning, and Labor in government will continue to support that principle, so we will not be supporting an amendment that is a direct negative to that proposition. We put forward a number of amendments which we believe would have required a very transparent process in which the
Commonwealth minister would have to have regard to the state and territory planning laws and publish reasons why he differed from those bodies on any particular development, approved or otherwise. We are of the view that there ought to be appropriate transparency and very clear consideration of those matters, but we are not persuaded to the view that we should throw out the concept that aviation-planning responsibility, which has been with the federal government since the privatisation of airports or indeed before that, ought not continue that way. So we will not be supporting the amendments.

Frankly, it is a spurious concept that the outcome of the planning process for developments at Hobart airport is relevant to this amendment. That process is being conducted under the current legislation, and it is our view that if this bill were amended in the way proposed it would not impact on that particular development.

Question put:
That the amendments (Senator Milne’s) be agreed to.

The committee divided. [11.49 am]
(The Chairman—Senator JJ Hogg)
Ayes………… 8
Noes……….. 47
Majority……… 39

AYES
Allison, L.F.
Brown, B.J.
Murray, A.J.M.
Siewert, R. *

NOES
Adams, J.
Bernardi, C.
Brown, C.L.
Carr, K.J.
Colbeck, R.
Ferguson, A.B.
Fierravanti-Wells, C.
Forshaw, M.G.

Humphries, G.
Johnston, D.
Kemp, C.R.
Macdonald, J.A.L.
Mason, B.J.
McGauran, J.J.J.
Moore, C.
O’Brien, K.W.K.
Patterson, K.C.
Polley, H.
Ronaldson, M.
Stephens, U.
Troeth, J.M.
Vanstone, A.E.
Webber, R.
Wortley, D.

Hurlay, A.
Joyce, B.
Macdonald, I.
Marshall, G.
McEwen, A.
McLucas, J.E.
Nash, F. *
Parry, S.
Payne, M.A.
Ray, R.F.
Santoro, S.
Sterle, G.
Trood, R.B.
Watson, J.O.W.
Wong, P.

* denotes teller

Question negatived.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (11.54 am)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2007 MEASURES No. 1) BILL 2007
TAX LAWS AMENDMENT (2006 MEASURES No. 7) BILL 2006

Second Reading

Debate resumed from 1 March, on motion by Senator Coonan, and from 7 February, on motion by Senator Abetz;

That these bills be now read a second time.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (11.55 am)—I rise to speak on the Tax Laws Amendment (2007 Measures No. 1) Bill 2007 and the Tax Laws Amendment (2006 Measures No. 7) Bill 2006. I say at the outset that Labor will be
supporting both bills. Labor welcomes the government backflip in removing schedule 2 of the Tax Laws Amendment (2006 Measures No. 7) Bill 2006, which was the subject of an inquiry by the Senate Standing Committee on Economics. I note that the government has taken up Labor’s recommendation that schedule 2 be removed from the bill. Schedule 2 proposed amendments to the Income Tax Assessment Act 1936 to supposedly clarify the types of financial instruments which are eligible for the exemption from withholding tax. Tax is withheld from the payment of interest to nonresidents, subject to some exemptions. The exemptions exist to reduce the cost of Australian companies obtaining capital. Schedule 2 proposed to restrict the range of debt interest eligible for this withholding tax exemption. Schedule 2 proposed to introduce a regulation-giving power to sections to allow the minister to specify which instruments would qualify for the exemptions and which would not. Labor was certainly concerned that this change was more than a clarification and would change what could be claimed as an exemption in a substantive and substantial way and impede the ability of Australian companies to raise cost-effective finance.

Schedule 2 of the bill was referred to the committee at the insistence of Labor. In his summing up speech in the House of Representatives, the Minister for Revenue and Assistant Treasurer stated that he would not refer the bill to a committee—but we witnessed a backflip on that, with the bill referred the very next day. As evidenced by the submissions to the committee, there were concerns that the amendments might particularly affect the ability of Australian firms to participate in syndicated loans, for example. As noted in the submission by the Australian Bankers Association:

... the Bill will unreasonably impede access by borrowers to international debt markets ... the proposed amendments will prejudice the ability of Australian firms to participate in the syndicated loan market ...

Labor was also very concerned about the lack of consultation that had gone into framing this schedule. The economics committee report demonstrated Minister Dutton’s total failure to properly consult with key stakeholders on changes to tax laws, resulting in what really was substandard legislation. The ABA’s submission noted:

... a breakdown occurred in the consultation process in relation to the proposed IWT amendments. This comes after Minister Dutton’s failure to consult with affected industries over the taxation treatment of non-forestry managed investment schemes. It is incredible that we had to insist that this schedule be referred to a Senate committee to conduct the consultations that the government should have conducted itself. As a result of Minister Dutton’s failure to consult, flawed legislation was brought to the parliament. It was thanks to Labor’s insistence that it was referred to the Senate committee and that key stakeholders had the opportunity to express their concerns with the legislation.

The committee heard that the government’s proposed changes could cause widespread damage and uncertainty to the loan market, impacting on the ability of Australian companies to raise finance. The committee also heard that the proposed legislation would have imposed high compliance costs on business—this from a government that claims to cut red tape and be pro business. The inquiry also highlighted that the bill might have a retrospective application. ABA’s submission stated:

... the Bill will be retrospective and will effectively impose cost (via interest withholding tax “gross up” clauses) on Australian borrowers who negotiated loan arrangements in good faith based on current law.
I will go to the report of the committee. The uncertainty that was demonstrated by the witnesses who appeared before the committee was based on the fact that the regulations that the government was going to rely upon were not available, even in draft form. So it was very unclear as to what debenture and debt interests were going to be excluded from and entitled to the interest withholding tax exemption.

This was a very frustrating process and the Australian Financial Markets Association argued that such a scenario would create uncertainty and generate additional compliance costs, which, contrary to the statement in the explanatory memorandum, would not be negligible. That was a very serious point of debate during the committee hearings. As a result, Labor members of the economics committee recommended with the support of Senator Murray that the Assistant Treasurer withdraw this schedule from the bill. The government members of the committee recommended that the Senate pass the bill. Today we see an amendment put to the Senate to remove schedule 2 of the bill—effectively agreeing with Labor’s position. Thank heavens that the Assistant Treasurer has actually seen some sense, after listening properly to affected parties, but it should have been done before the legislation was introduced.

I will now turn to the schedules of the bill that remain. Schedule 1 deals with an expansion of the small business exemptions for capital gains. These largely arise out of the Board of Taxation review of 2005, and are supported by the opposition. These recommended changes show that the process of having the Board of Taxation review elements of the tax act is a worthwhile process. Item 39 of the bill proposes to replace the current controlling individual 50 per cent test with a new significant individual 20 per cent test. That is to say, an individual will no longer have to own 50 per cent of the enterprise to gain the capital gains tax concession but will now only need to own 20 per cent of the enterprise. The 20 per cent participation percentage does not need to be entirely direct holdings but can include indirect holdings. These changes will certainly increase the availability of the small business concessions. The new significant individual test would enable up to eight taxpayers to access the small business capital gains concessions. More people with a substantial interest in a small business will be eligible for the concessions, which is good for the small business sector.

The bill also proposes changes to the maximum net asset value test to determine eligibility for the small business concessions. This test is satisfied if the sum of the net value of all capital gains tax assets of the taxpayer, an entity connected with that taxpayer, any small business capital gains tax affiliate of that taxpayer or entities connected with that person’s small business capital gains tax affiliates does not exceed $5 million. The proposed amendments to the maximum net value test would allow more small businesses to become eligible for the concessions by allowing more liabilities to be included in calculating whether the business breaches the $5 million threshold.

There are other changes which make it easier to gain the small business tax concession included in this bill. The definition of an active asset is clarified and the restrictions on the ownership of an asset for which a 15-year exemption is claimed are eased. In respect of the small business rollover concession, which allows a taxpayer to defer the making of a capital gain from a capital gains tax event happening in relation to a small business asset if the taxpayer acquires replacement assets, the proposed changes will abolish some of the current prerequisites for the rollover to make the rules to access this...
concession clearer and extend this concession to more taxpayers.

Proposed section 152-80 will make rules for the treatment of the capital gains tax assets that are part of the estate of a deceased person. Currently no rules exist. A legal personal representative of the beneficiary will now be allowed to access the same concessions that would have been available to the deceased. These are measures which improve the availability of the small business capital gains tax exemption, and Labor supports them all.

Of course, small business is deserving of the support of parliament and the treatment of small businesses when they are sold for either retirement or to be rolled over into new small businesses is an integral part of that support. Accordingly the Labor Party has no hesitation in supporting these changes.

Schedule 3 proposes amendments to remove the requirement for certain deductible gift recipients to maintain a gift fund. It also aims to standardise and improve integrity arrangements for deductible gift recipients. Further, Schedule 3 proposes changes to provisions in the Tax Administration Act 1953 to enhance the DGR integrity arrangements. Proposed changes will provide the Commissioner of Taxation with the power to request information from both endorsed and listed DGRs, thus aligning the integrity arrangements applicable to both types of DGR. Currently, the commissioner can only review endorsed DGRs to determine if they continue to meet the requirements for holding DGR status. Listed DGRs cannot be reviewed. These are sensible changes, which both reduce the compliance burden on charitable organisations and improve the integrity measures available to the ATO. Labor is happy to support these measures too.

Schedule 4 proposes amendments to extend the periods during which deductions will be permitted to certain DGRs. These include the Dunn and Lewis Youth Development Foundation, the Rotary Leadership Victoria Australian Embassy for Timor-Leste Fund, the St George’s Cathedral Restoration Fund and the St Michael’s Church Restoration Fund. Labor supports these measures and wishes these bodies well.

Schedule 5 proposes amendments to insert a statutory cap of 6\% years for tractors and harvesters used in the primary production sector. The commissioner is currently reviewing the effective life of assets in the primary production sector and, therefore, may increase the current safe harbour effective life of tractors and harvesters, which would be disadvantageous to taxpayers claiming the decline in the value of these assets for a deduction. By adding a statutory cap for tractors and harvesters, taxpayers who choose to have the effective life of these assets determined by the commissioner will be limited to an effective life of 6\% years.

I note that this measure is inconsistent with the recommendations of the Ralph Review of Business Taxation, which abolished accelerated depreciation. We do not oppose this measure. Farmers deserve all the support and certainty that they can get in this difficult time. However, it does need to be noted that this measure is contrary to the recommendations of the Ralph review and, if the government does go on making changes to the effective life regime in an ad hoc way, it will be undermining the integrity of the Ralph reforms and will add complexity to the tax law by treating certain assets differently.

The bill proposes to make changes to the Farm Management Deposits scheme to increase farmers’ eligibility for this scheme. The bill proposes to increase the threshold of non-primary production income from
$50,000 to $65,000 and increase the deposit limit from $300,000 to $400,000. The FMD scheme allows primary producers to, in effect, shift income from good to bad years in order to deal with adverse economic events and seasonal fluctuations. The scheme allows primary producers to claim a deduction for farm management deposits made in the year of deposit, and to reduce their PAYG instalment income accordingly. When the farm management deposit is withdrawn, the amount of deduction previously allowed is included in both their PAYG instalment income and their assessable income in the repayment year. Labor supports the proposal to allow more primary producers to become eligible for the FMD scheme to assist in times of drought. The income threshold and deposit limit have not been increased since 1999.

The final schedule in this bill relates to capital protected borrowings. The changes would prevent a taxpayer from claiming a deduction for the part of the expense of a capital protected borrowing that is attributed to capital protection. Capital protected borrowings allow people to borrow money to buy shares and then, in effect, sell the shares back to the lender at a price no lower than what they paid for them should the price of the shares fall. The lender charges a premium on the interest rate to deal with this transfer of risk.

The ATO has previously taken the view that interest payable on capital protected borrowings used to purchase shares is not allowable to the extent that it exceeds the amount of the benchmark interest rates set out on the ATO website—that is, that the premium charged for risk transfer is not deductible. This view was successfully challenged in the case of the Commissioner of Taxation v Firth in 2002. The government announced that it would make changes to override the Firth case in April 2003. The interim methodology was announced by the then Minister for Revenue and Assistant Treasurer in May 2003.

It is extraordinary that the government could announce legislative changes in 2003 and yet it is 2007 before we are debating them. It is true that the government flagged these changes and that the ATO warned people that the government would be legislating retrospectively, but for the government to wait four years before providing certainty and introducing this legislation is gross incompetence. This government has taken legislation by press release to a new level. It is simply not good enough. Labor will be supporting this measure, which comes much too late but which should be supported. The amendments provide certainty about the tax treatment of CPBs, and for that reason and because this is an integrity measure Labor supports the amendments.

Labor support the bill. We are not happy with the government’s performance on schedule 2 but we will not be standing in the way of the significant benefits which will flow to small business in this bill, and we will support it. However, the government will need to account for any adverse effects on the ability to raise capital that flow from these changes.

Labor is also supporting the second bill before us, the Tax Laws Amendment (2006 Measures No. 7) Bill 2006. Schedule 1 makes amendments to the secrecy and disclosure provisions of the Taxation Administration Act 1953 to allow the Commissioner of Taxation to disclose taxpayer information to Operation Wickenby task force officers and to officers of future compliance operations.

Operation Wickenby is a multi-agency crackdown on offshore tax fraud. It was established in 2004 and is led by the ATO. Other agencies involved are the Australian
Crime Commission, the Australian Federal Police and the Australian Securities and Investments Commission. Allowing the commissioner to share information with other government agencies involved in Operation Wickenby should help compliance task forces investigate tax evasion and enforce the law. The amendments will allow the commissioner to disclose information to officers of Operation Wickenby task force agencies for any purpose related to the task force; allow the commissioner to disclose information to officers of the agencies of any future prescribed task forces established to protect Australia’s revenue; and allow an officer of any task force agency who receives such information to disclose the information to other task force officers and legal counsel. A sunset clause restricts the ATO from disclosing information to the agencies of the Operation Wickenby task force after 30 June 2012 as this is when funding for the task force runs out. Labor supports Operation Wickenby and other efforts by the ATO to address tax avoidance and evasion to increase fairness in the tax system and protect revenue.

The government has made a significant financial commitment to Operation Wickenby. Over $300 million has been allocated to the project over seven years. The 2006-07 budget estimates increased revenue as a result of the operation to $323 million over four years. I note that taxation commissioner Mr D’Ascenzo stated in additional estimates two weeks ago that he is confident the $323 million figure will be reached through increased compliance as a result of the operation. Labor hopes this is the case.

Schedule 2 of the bill proposes amendments to the Superannuation Guarantee (Administration) Act 1992 to enable the Commissioner of Taxation or an ATO officer to provide information to an employee in response to a superannuation guarantee complaint against their employer. The secrecy provisions of the superannuation guarantee act prohibit the disclosure of information about the progress of any action in relation to any person. This prevents the ATO from providing information to employees on the progress of their superannuation guarantee complaints. The amendments will allow the ATO to provide information to an employee in response to the employee’s complaint that their employer has not complied with its superannuation guarantee obligations. The information the ATO may provide under the amendments is: steps taken to investigate the complaint, actions taken in relation to the complaint, and steps taken to recover any superannuation guarantee charge from the employer. Labor supports the proposal.

Schedule 3 of the bill proposes amendments to a number of tax acts to extend employee share schemes and related capital gains tax treatment to stapled securities. The amendments allow the ESS concessions to apply to stapled securities and rights to acquire stapled securities that include an ordinary share listed on the ASX. The capital gains provisions that refer to ESS shares and rights will apply to stapled securities. Fringe benefit tax treatment of stapled securities provided under ESS will also be made consistent with the treatment of ESS shares and rights. Labor recognises that these are two important financial pieces of legislation that, having been amended, are deserving of support in the interests of good fiscal management and transparency of taxation arrangements. Mr Dutton has saved himself and many stakeholders a great deal of angst. I certainly look forward to considering what will come before us again as amended schedule 2 in a new form when it is finally recommitted to the Senate.

Senator MURRAY (Western Australia) (12.14 pm)—The Tax Laws Amendment (2006 Measures No. 7) Bill 2006 and the Tax
Wickenby targets those high-income earners, those lucky few Australians, who can actually afford to pay their taxes and still be left with plenty in the bank but see themselves as above and beyond this universal experience. Many wealthy Australians expend vast amounts of energy and resources in an attempt to limit the amount of taxation they have to pay, and sometimes this activity turns out to be unlawful. Investigating tax avoidance and evasion involving the use of offshore entities by a number of high-income earners in Australia has been the focus of Project Wickenby. Project Wickenby has my full support, and I hope that the outcome of this endeavour is a timely reminder to those affluent Australians who do this sort of thing that amassing a fortune does not separate and isolate oneself from the crowd to the extent that one is above other Australians and therefore exempt from taxation.

Schedule 2 is a non-contentious amendment to the Superannuation Guarantee (Administration) Act 1992 that, similar to schedule 1 of this bill, proposes changes to taxation disclosure laws to enable the Commissioner of Taxation to update employees about the progress of superannuation guarantee complaints. This is a much needed new responsive service, and I am grateful to the government for doing this.

Schedule 3 proposes extending extant taxation and capital gains tax provisions that apply to employee share schemes to stapled securities. Employee share schemes are an excellent means of encouraging Australian employees to invest, save and participate in the ownership and therefore the wealth of the companies for whom they work. It is a proposal that has the Democrats’ support.

The Tax Laws Amendment (2006 Measures No 7) Bill 2006 is a conglomeration of amendments arranged into seven schedules. Schedule 1 deals with amendments to small
business capital gains tax concessions and compliance costs. Schedule 2 proposes changes to interest withholding tax exemptions, while schedules 3 and 4 update the status of deductible gift recipients and their associated compliance requirements. Changes to depreciation rules and farm management deposits of primary producers are contained in schedules 5 and 6 respectively. Finally, a clarifying amendment to capital protected borrowings is included in this bill as schedule 7. A genuine omnibus bill, in other words.

Schedule 1 proposes amending the 1936 Income Tax Assessment Act, the 1997 Income Tax Assessment Act and the Income Tax (Transitional Provisions) Act 1997 in order to increase the availability of certain capital gains tax concessions and to reduce compliance costs of small businesses. Specifically, the bill proposes reducing the business ownership test from 50 per cent to 20 per cent, thereby increasing the number of small business owners who can validly take advantage of this tax concession. This proposition represents a further concession to a number of small business owners who will therefore be able to avoid capital gains tax on the sale of the business or sale of capital invested in the business, assuming that the maximum net asset threshold of $5 million is not exceeded. As with the original concession, the question that remains is whether this provision is equitable and appropriate, giving, as it does, a number of individuals a generous provision with its associated cost to our tax revenue base. According to the explanatory memorandum, the financial impact of these amendments will be a cost to revenue of $303 million during the period 2007-08 to 2009-10, but I would suggest that this is a very conservative figure. It is a high cost.

Considering the window of opportunity that is about to open with the assent to the government’s simplified superannuation legis-

ation, whereby superannuation investors are able to invest up to $1 million into their super funds before 1 July 2007, I would not be surprised to see a large number of existing business owners trying to cash in on this short-lived potential windfall. While I have always been supportive of measures that ensure small business owners do not bear an unfair tax burden and are properly incentivised, I do not automatically support large windfalls for a small section of the community because of circumstances knowingly designed by the government of the day, for it does fall upon the remainder to carry the cost.

In a broader context, this change to the small business CGT percentage ownership test is part of the government’s $52 billion mixed bag of tax concessions that have been announced and which in part are designed to shore up support in various sections of the community. Looking at the age demographic that ultimately stands to gain from a number of these concessions—that is, older and wealthy Australians of or around retirement age—it is upon the backs of younger Australians that the burden of any cost to tax revenue will often fall.

One of the greatest challenges facing future governments will be how to sustain their revenue base. I would hope that future governments do review the merit of each and every tax concession on a periodic and regular basis. Broadening the base does have the merit that you can then lower rate. That is why I will hesitate to automatically support measures that establish tax concessions as it is this form of legislation that we will have to revisit as parliamentarians whenever we have to rectify unforeseen leakages. In my view it is not the specific legislation that is ever the problem but, rather, the underlying policy and extent supporting the multitude of tax concessions that now exist throughout our taxation system.
For more than a decade the Democrats have argued that welfare for the wealthy must end—that is a large part of what broadening the base means. The Democrats’ five-pillar structural income tax reform plan consists of raising the tax-free threshold significantly, indexing the rates, broadening the base and reforming the tax/welfare intersects, and only after that is done considering issues such as raising the top tax threshold.

Schedule 2 of this bill amends the Income Tax Assessment Act 1936 to clarify sections 128F and 128FA, which both relate to interest withholding tax exemptions. These amendments will ensure that financial instruments eligible for interest withholding tax exemption status are correctly classified as a debenture for the purposes of the 1936 act. These measures were intended to protect the integrity of the tax system, which the government believes is open to some abuse through the liberal interpretation of what constitutes a debenture.

Thankfully, this schedule was the subject of a Senate committee hearing. It was here I was persuaded that schedule 2 may negatively affect Australian firms’ ability to participate in syndicated loans and impede access by borrowers to international debt markets. The submissions also raised concerns that significant compliance costs would be imposed on business as a result of uncertainty, producing risk pricing. The Labor senators and I said that schedule 2 should be pulled and reintroduced once the issues raised in the committee were resolved. The government senators rather recklessly said: ‘Pass the bill.’ The Treasurer was smarter than that and has pulled the schedule. Well done, Treasurer; well done, Treasury.

Schedules 3 and 4 of the bill pertain to the regulation and status of deductible gift recipients respectively. Schedule 3 amends both the Income Tax Assessment Act 1997 and the Taxation Administration Act 1953 in order to streamline the regulatory arrangements of deductible gift recipients and thereby reduce their compliance costs. The ITAA 1997 amendments will remove the requirements for entities that are DGRs to operate a separate gift fund. Entities that only operate as DGRs will still be required to operate a separate gift fund but they will be allowed to consolidate multiple funds into a single gift fund.

Administratively this legislative amendment is a positive step since excessive red tape can be an onerous duty and an added expense for any DGRs. However it should be noted that DGRs and the not-for-profit sector in general are poorly regulated and open to serious abuse by unscrupulous organisations. The whole area of charities, not-for-profits and so on is unfinished business and I hope that the next government will tackle this area with some comprehensive plan.

The trade-off inherent in this schedule, as it applies to DGRs, is a reduction in onerous administrative duties but it does represent an increased risk of a misuse of funds. Since the organisation that functions exclusively as a DGR will only be required to maintain a single fund but may operate several contemporaneous and discrete not-for-profit activities each receiving donations via DGR status, funds received on the premise of being used in one particular project may still be misappropriated for another unrelated project. When people make donations to organisations they assume that the money given will be used for the purpose it is donated. If it is donated to build wells in Africa, then most people would prefer to know that it is actually used for that purpose rather than to rent offices in the CBD of a large Australian city. Research by the organisation Giving Australia supports the contention that most people like to know where their money is going and preferably how it is going to be used when
they donate it. Some people take it as a matter of faith that the money will be used to support a specific cause. They do not assume it will go to ancillary services provided by a DGR.

However, DGRs in general are not legally required to provide such financial information—and I will draw the attention of the chamber to a very good report last September by the Institute of Chartered Accountants, which tried to lift the standards with respect to financial statements by DGRs and charities. For every organisation that provides relevant financial information there are many that do not, so Australia has a lightly regulated not-for-profit system where some organisations take their financial responsibilities and reporting to donors and grantors seriously while others fall in the middle and still others take for granted their donors’ faith that their money is being used appropriately and do not report as they should. Donors to DGRs must know where their money is going. Whether it is going to produce CDs or build a church, provide water to African people who are in difficulty or lobby for change to free trade agreements to protect a section of rainforest—or even if it is dedicated to electing a member of parliament—donors must know where their money is going.

Currently there are few ways for a donor to find out how their money is used and no way to assess whether the organisation to which they donate uses it more or less effectively than another organisation doing the same type of work—in other words, there is no benchmarking. This needs to change. Freeing up DGRs from the regulatory burden of maintaining independent gift funds is a positive move as it reduces administrative expenses, but I must reiterate that in isolation this move just compounds the general difficulty with the not-for-profit sector, which in general requires much improved, much more consistent and much simplified regulatory controls.

Bearing this thought in mind, I acknowledge the amendments to the TAA 1953 proposed by this schedule, which expand the powers of the Commissioner of Taxation to review the activity of DGRs. More specifically, the Commissioner of Taxation will be able to review all DGRs, as opposed to only ‘endorsed DGRs’ as is presently the case, to determine if they continue to meet the requirements for holding DGR status. In other words, it is a move to try to keep them honest. Similarly, schedule 3 also contains amendments requiring all DGRs to maintain adequate accounting records, and in that respect I remind the chamber that the Australian Accounting Standards Board is currently looking at an accounting standard which will be specific to not-for-profits. This is a welcome amendment which, in conjunction with the relaxed regulatory environment, sends a positive message to DGRs, which is that, in return for providing greater flexibility, these increased powers will be used to check on DGRs that do not play by the rules.

As I have stated, schedule 4 also relates to DGRs. It amends the ITAA 1997 to extend the period for which deductions are allowed for gifts to a number of specific funds that have time-limited DGR status. They include the following named ones: Dunn and Lewis Youth Development Foundation Ltd, Rotary Leadership Victoria Australian Embassy for Timor-Leste Fund Ltd, St George’s Cathedral Restoration Fund and St Michael’s Church Restoration Fund. While I am not a strong adherent to religion, nevertheless I do very much enjoy the results of the funds invested in restoring these magnificent buildings. They are great assets to many cities. The extension of time to operate with DGR status will enable these organisations to complete their work. According to the explanatory memorandum, the financial impact will be a
cost to revenue of $4.3 million over the years 2007-08 to 2009-10. There are not any expected compliance costs.

Schedules 5 and 6 are concessions to farmers affected by drought. On an equity basis, other small businesses have not received the same level of financial support as farmers even though they are in the same regions but, considering the exceptional circumstances created by drought, these measures may indeed be warranted. Australia will continue to be prone to drought. Very few people begrudge exceptional, emergency or shorter term aid to these regions and their farmers, but many ask whether taxpayers should continue to support that minority of marginal farmers and businesses in the longer term in this way.

Schedule 5 amends the ITAA 1997 by applying a capped effective life of six years and eight months to tractors and harvesters used in the primary production sector. This amendment preserves the current period over which tractors and harvesters used in the primary production sector are depreciated.

Schedule 6 amends the ITAA 1936 to increase the non primary production income threshold from $50,000 to $65,000 per income year and the total amount a primary producer can hold in a farm management deposit from $300,000 to $400,000. The explanatory memorandum says that the financial impact of schedule 6 will be a cost to revenue of $72 million for the years 2006-07 to 2010-11 and that there will be ‘small transitional costs’—for the Australian tax office, tax agents and software developers—’but no increase in ongoing compliance costs’.

Schedule 7 amends the ITAA 1997 in relation to the taxation of capital protected borrowings, or CPBs. Currently, a borrower with a CPB that does not have a separately identifiable capital protection feature is able to gain an income tax deduction for what might actually be a capital cost. The amendments seek to implement equivalent tax treatment of capital protection on a CPB whether or not the capital protection is explicitly or implicitly provided for. To do this, schedule 7 also includes methodologies to determine the amount reasonably attributable to the cost of capital protection. The explanatory memorandum says that the financial impact is nil and that the compliance cost impact should see a reduction in compliance costs for both issuers and borrowers of CPBs. The clarifying amendment ensures that certain capital protected borrowing costs, a form of equity investment with a guaranteed downside protection, that are not expenses and are of a capital cost nature cannot be claimed as a tax deduction. This closes a potential tax loophole and has my and the Democrats’ support. In conclusion, I indicate that with both these bills you should take into account the note of caution I have outlined, given my concerns as to unfinished business and some wariness about the costs of these measures. Nevertheless, the Democrats will support these bills.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (12.33 pm)—I want to thank Senator Stephens and Senator Murray for their hard work on this piece of legislation and for their contributions in the Senate today. These two measures involve a number of alterations to the tax legislation, none of which are opposed, so on that basis I will take the opportunity to be brief.

Firstly, the Tax Laws Amendment (2006 Measures No. 7) Bill 2006 amends the capital gains tax legislation so that small business concessions are increased, to make them available to more small businesses and to reduce compliance costs. I foreshadow, as has been acknowledged by senators, that the government will be moving amendments such that schedule 2 will be removed from
the bill. Whilst the interest withholding tax measure has been developed in close consultation with industry stakeholders and that consultation has gone on for a long time, further issues have been brought to the government’s attention following the introduction of the bill to parliament. The government would like more time to more fully consider those issues before implementing this measure.

The bill also gives effect to the government’s budget announcement that it will enhance philanthropy in Australia by streamlining the integrity rules and reducing the compliance costs applying to deductible gift recipients, or DGRs. Additionally, the bill amends the list of deductible gift recipients in the Income Tax Assessment Act 1997 by extending the time period for which four particular entities can receive tax deductible donations. Extending their deductible gift recipient status will assist those organisations to continue to attract public support for their very worthwhile activities, as mentioned by Senator Murray.

With the drought affecting farmers and their families across Australia, the last thing they need is a change in the tax treatment of their valuable farm equipment. That is why the government has implemented a statutory cap which will mean no change to the income tax treatment of harvesters and tractors. The bill also amends the Farm Management Deposits scheme to increase the non primary production income threshold from $50,000 to $65,000 and the total deposit limit from $300,000 to $400,000. Increasing these thresholds will assist primary producers to cope in this time of hardship.

The bill also provides certainty in the tax treatment of capital protected borrowings. Under a typical capital protected product, the investor is protected from a fall in the price of the shares as the loan facility includes a capital protection feature that gives the investor the right to transfer the shares back to the lender for the amount outstanding on the loan. These amendments will ensure that part of the expense on a capital protected product is attributed to the cost of the capital protection feature and that it is not interest and is not deductible where the cost is capital in nature.

I turn to the second of the bills, the Tax Laws Amendment (2007 Measures No. 1) Bill 2007. As set out by senators, schedule 1 of this bill amends taxation secrecy laws to assist in the coordinated enforcement of Australia’s laws by Project Wickenby and future similar task forces. These amendments preserve the general protection of taxpayer privacy. They speak for themselves. Obviously, the very worthwhile and important work of the ACC and the Australian Taxation Office through Project Wickenby needs the assistance of these amendments.

Schedule 3 amends the tax law to extend the employee share scheme tax concessions to certain stapled securities. Currently it is difficult for employers with stapled securities on issues to provide their employees with access to the employee share scheme concessions. For obvious reasons, these amendments are welcomed by senators on all sides of the chamber. I commend the bills to the Senate.

Question agreed to.

Bills read a second time.

In Committee

Bills—by leave—taken together and as a whole.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (12.37 pm)—I table a supplementary explanatory memorandum relating to the government amendment to be moved to the Tax Laws Amendment (2006 Measures No. 7) Bill 2006. The explanatory memorandum
was circulated in the chamber on 27 March 2007. The government opposes schedule 2 in the following terms:

(1) Schedule 2, page 33 (line 1) to page 34 (line 17), to be opposed.

Senator MURRAY (Western Australia) (12.38 pm)—I should indicate that this proposal by the government is in accord with the view of the Labor senators and the Democrats, as outlined in their recommendation which was attached to the Senate Standing Committee on Economics report. I want to reiterate that I commend both the Treasurer and the Treasury for withdrawing this whilst they consult further and before reintroducing an amended version of schedule 2.

The TEMPORARY CHAIRMAN (Senator Ferguson)—The question is that schedule 2 stand as printed.

Question negatived.

Bills, as amended, agreed to.


Third Reading

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (12.40 pm)—I move:

That these bills be now read a third time.

Bills read a third time.

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2007

Second Reading

Debate resumed from 22 March, on motion by Senator Scullion:

That this bill be now read a second time.

(Quorum formed)

Senator MARSHALL (Victoria) (12.42 pm)—Senator O’Brien was very keen to make a comprehensive contribution on this bill and in normal circumstances he would be the first speaker for the opposition. But, given that there are only moments to go before this debate ends, I thought I might take the opportunity to make a few brief but concise and valuable remarks about this legislation—and I notice that the crowd on the government side of the chamber is building in anticipation of the remarks that I am about to make! The Farm Household Support Amendment Bill 2007, as I understand it, amends the Farm Household Support Act 1992, the Social Security Act 1991 and the Age Discrimination Act 2004 to allow agriculturally dependent small businesses—

Senator Carr interjecting—

The PRESIDENT—Order! Senator Carr, would you withdraw that remark.

Senator Carr—Which one?

The PRESIDENT—I ask you to withdraw those remarks you have just made.

Senator Carr—Which remarks have I made?

The PRESIDENT—Senator Carr, I am on my feet. Resume your seat. You are making unparliamentary remarks to the minister across the table, I ask you to withdraw those remarks.

Senator Carr—I withdraw any remarks you have asked me to withdraw, but that man is a complete fraud.

The PRESIDENT—Order! I ask you to withdraw unconditionally those remarks.

Senator Carr—I unconditionally withdraw any remarks.

Senator MARSHALL—I did not know that my speech on this bill was going to be so controversial; nonetheless, it has been. In the 30 seconds remaining—

Senator Ian Campbell interjecting—

The PRESIDENT—Order! Senator Campbell.
Senator MARSHALL—This is really interrupting the flow of my contribution to this debate! Given the lateness of the hour, I might conclude my remarks there.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The PRESIDENT—Order! It being 12.45 pm, I call on matters of public interest.

Valedictory

Senator SANTORO (Queensland) (12.45 pm)—It goes with saying that, in commencing my final speech to the Senate today, I do so with some regrets. All politicians, either actual or aspiring, know Enoch Powell’s famous maxim about our inevitable end point. It will suffice to say that both the time and the manner of my parliamentary ending leave me with a sense of unfinished business. However, it is not my intention this afternoon to dwell on the negative or to wax lyrical about what might have been had things been different—nor, senators will be pleased to know, am I taking this opportunity to lecture the Senate on what I have achieved in my time as a member of the Legislative Assembly of Queensland or the Australian Senate, or as a minister in each. I believe it is important to make the point that I am proud of the contribution that I have made to Queensland and Australian politics. I have been honoured to serve Queenslanders both at home and in Canberra, and regard it as a privilege to have worked constantly for the people and the interests of my home state.

I have also been particularly honoured and gratified by the opportunity to serve as Minister for Ageing and to assist in building the later life social infrastructure for those who built our nation. It is my intention to carry my overriding commitment for the public good of the Queensland people and the Australian people, including ageing Australians, through to the next chapter of my life outside this place by pursuing the same values which have motivated me to this point.

What I want to do in this last speech is to address three matters: first, my firm belief that a political career is a worthy, significant and honourable ambition; second, my view that the principles on which this nation was built, namely its Judaeo-Christian traditions, and the conservative instinct which they inform should continue to guide the parliament; and, third, the need for Australia to maintain good government through the coalition and in the person of Prime Minister Howard.

To begin, I think it is a fair observation that the art or profession of politics is not currently held in the highest regard by the community. One need look no further than the recent New South Wales election for evidence of a culture where elections can be considered in the public mind, or at least the media’s mind, as a damnable choice between two uninspiring options. For those of us at the coalface, it remains self-evident and not a little frustrating that the wrong questions are being asked. Anyone with an ounce of regard for the future of this nation will wince at the thinly camouflaged demand of the media for a beauty contest rather than a battle of philosophy, priorities and capability to govern. I remain of the view that good politics and good policy will out from both sides, though I am aware that some of my colleagues, particularly at this point, may regard me as a starry-eyed optimist.

Around 18 months ago, a previous opposition leader made a speech at the University of Melbourne where he told young Australians with political ambition that they should not even think of ‘going there’. In that speech, Mr Latham cited some of the costs of political life, which none of us could deny, including the loss of privacy and the constant separation from family. He also cited as a
critical negative what he said were two party-specific versions of the politics of personal destruction. I suspect that I am not the first to note that there may be elements of hypocritical sanctimony in those criticisms, and I do not intend to repeat them here today. I might, however, be the first to suggest that the focus on the personal is not of necessity an undesirable characteristic of contemporary politics. It certainly makes the game robust—and of course I speak from somewhat recent experience—and at times it will cause each of us to question why we walk this stage. The scrutiny is constant and it is certainly intrusive.

Let me suggest that the rigorous testing which prospective candidates experience on their way through the parties has two clear positives. The first is that it is a comprehensive audition for the reality TV that is modern politics. There is no point pretending that the media cycle will get shorter, one’s personal life will remain private or one’s financial activities will remain unexamined. Second, and a consequence of the first, is that this all promotes personal integrity, and integrity—not the clever phrase or the careful public posture—is the lifeblood of successful long-term candidates. If anyone doubts that, consider what has allowed our current Prime Minister to transcend the flighty fashions of three decades of federal politics. Integrity never goes out of style, and it is integrity which will allow an aspirant to survive the constant examination they experience in political life.

My own position is that I am proud to say that, while my compliance may have had some well documented omissions, my integrity remains intact. Ultimately, the fact that integrity still matters means that young people considering politics should view it as a noble profession for those who are willing to commit to nobility as their watchword. Taking part in the government of the state or the nation, whether as a leader, minister or simple member of parliament, is an intellectual challenge and an emotional contest and is ultimately rewarding. At its heart is the question of contending ethical, philosophical and managerial competence, and I continue to regard it as a most compelling contest. I commend it to all Australians, particularly younger Australians, who feel they can contribute and who feel the outcome is worth the inevitable sacrifices. I would note that this recommendation is to people at both ends of the political-philosophical spectrum. We need constant revitalisation of the whole polity, though I remain sufficiently partisan to hope that those who emerge on our side will continue to hold an edge.

That is the process; but what about the substance? When we started our magazine the conservative in 2006, one of the first issue’s articles was from Indiana Republican Congressman Mike Pence and included what was for me a most memorable phrase:

... I am a Christian, a Conservative and a Republican in that order …

I think I am probably recognised as a little too tribal in my party loyalties to credibly repeat that hierarchy with the word ‘Liberal’ in place of ‘Republican’, but it remains for me a profound statement. It is a proposition which got me thinking about what it is that sits at the centre of our society and our nation, and what it is that makes Australia so successful.

Whether it is the private success of Australian families, the innovation of our universities and our businesses or the unique and awe-inspiring reserve of our troops in Afghanistan, Iraq and other international theatres, there are myriad responses to this question. The one which has informed much of my thinking over my political career and which drives many in this building whom I admire is that our society is built on an in-
heritance of Judaeo-Christian beliefs, traditions and values. Those include the belief that life is inviolable, that the family is the building block of a successful nation and that the institution and sacrament of marriage, which creates families, should remain an unassailable part of our social state. I am well aware that these are not necessarily the most popular views, but the popular path is generally just the easy path. What is right is, perhaps paradoxically, rarely easy.

We in the Liberal Party are unashamedly the party of the traditional family. We regard it as a memory of our past and the custodian of our future. Throughout history no society has succeeded which has sought to build political structures which denigrate marriage, family or the private nurturing of children. Those societies break and fail, as we can see from the Soviet Union, through to Cambodia and into the current ravages of sub-Saharan Africa. This is a lesson we should never forget. No government should resile from protecting either these traditions or the faiths which sit at their foundation. The religious traditions on which this nation is built are more than a vague preference of an ordered society. They provide clear delineation between good and its opposite, and without them we will quickly find ourselves adrift.

I have been in the profession of politics long enough to know that only respect for our traditions and our institutions—both temporal and spiritual—will stem the tide against those who would reinvent a society based on convenience and desire, rather than on long-term social sustainability. That is an option open to both sides of Australian politics. I draw comfort from the fact that neither side has abandoned it.

I am confident that those who stand for traditional values, rather than transient political fashions, will remain in the ascendant. I am proud to have stood by those of you who agree with this proposal—including many of those on the other side of the Senate—who have stood up for the rights of marriage, the family, the child and the unborn. I commend you to continue that battle to ensure that Australia retains an unchallengeable claim to being the good society that it is.

On the subject of which, it did not pass my notice that in churches throughout the world last Sunday the Gospel text—and the homily upon it—was John chapter 8, where Christ says: He that is without sin among you, let him first cast a stone ...

I took the opportunity to reflect on this lesson—as one does—and to compare it to current circumstances. Let me say to all of you honourable senators that, in drawing this comparison, I do not seek to identify myself with the victim. Rather, I can recognise myself within that crowd; perhaps not the first to leave the scene but, I hope, not the last.

I spoke earlier of the need for integrity and ability in this profession. I recognise that, far too often, we are all quick to point out the failings of others, not the least to distract attention from our own. Perhaps a pause for reflection is needed on that.

Continuing in an unbroken line from the Judaeo-Christian traditions, I come to my particular philosophical views, which centre around the principle of conservatism—that unlikely but remarkably complementary twin of liberalism. The inseparable blend of these principles is the foundation upon which Australia’s most successful party was built. I believe conservatism is a political philosophy with many definitions. It is also one which is sometimes pejoratively dismissed as
simply a philosophy of tolerable imperfection. But I believe it is much more than that. I read in last week’s *Spectator* magazine one of the most succinct and, to my thinking, one of the most correct and engaging definitions of conservatism that I have ever encountered.

On the theme of taxation settings, the columnist Charles Moore wrote:

> The most basic rule for any Conservative considering the structure of taxes should be — identify with the interest of the rising class and support it. Help the people who may not have much money now, but have the energy to try to get on in the world and give their children opportunities which they lacked.

This is the principle which, at the microcosmic family level, guided my parents in their emigration from Sicily over 40 years ago, though they would never have used the terminology that I have. It provided the support which offered me the opportunity to develop from an immigrant child, without his first word of English, to a senator and a minister in our nation’s government. It is a principle which I think is more than good; it is instinctive. It reflects the fundamental concept of subsidiarity, which comes to us via Aquinas and which defines the significance of the family as a decision maker to be fostered rather than guided or governed. It is an instinct which I would hold is only deniable in a cause of bitterness and opportunism.

I am not so self-indulgent that I would seek to identify an individual legacy from my time in Australian public life. I recognise that, from the top down, we are all replaceable. But I hope that my constancy in supporting and promoting our traditions, both the fundamental and enduring values of our faith and the derived principles of modern conservatism, means that my time here has been well spent.

Finally I want to confirm that, despite my separation from it, my support for this government and its achievements—past and future—will never waver. I retain my confidence that maximum employment, the highest ever participation in the markets which hold this nation’s wealth, low interest rates and an internationally applauded record of national security will provide continuing public appeal and an enduring legacy.

To close, I want to say a few brief thank yous. First and most importantly, I thank my family—my wife, Letitia, and my two sons, who have stood by me when they have unnecessarily been made part of my political trials. It is probably considered trite and formulaic these days to say how much the rock of the family provides support in both the good and the difficult times, but in my case it happens to be entirely true, and I am utterly grateful for that.

I would like to again say thank you particularly to those ever loyal and close friends who have encouraged me during all of my time in politics and who mentored me. I mentioned many by name in my first speech in 2002 and, without repeating the list, I would like to thank them again and the many other friends that I have made and who have supported me since then. Without that support I would not have served either in the Queensland Parliament or in the Senate. And to the Liberal Party, my most sincere thanks. I will now go back to being a simple party member, but it will always be my first political home.

I would also like to thank the officers and staff of the Senate, who have always given me professional and courteous assistance. Many others remain to be thanked, not the least the many individual personal staff and party supporters who have kept me motivated and able to do my job in both the party and the parliament. For the benefit of time I will simply make that a collective thanks, although one name must be mentioned and that is that of Desley Wharton, my personal
assistant, who has seen me through two par-
liaments and the spaces in between and
whose support and trust has never foundered.
Thank you to those in this place and the
other who have served with me, guided me
and listened to me over the last five years. I
look forward now with genuine optimism to
the next phase of my life and I wish all of
you and your loved ones the very best of
good health and happiness. I conclude by
saying God bless you all.

Anti-Semitism

Senator FORSHAW (New South Wales)
(1.00 pm)—Might I just say at the outset that
I extend best wishes to Senator Santoro and
his family in his new career. Today I want to
speak in this matter of public interest debate
on the increasing incidence of anti-Semitism
that is occurring both in Australia and around
the world.

It is a fact that anti-Semitism is increasing.
It is substantially increasing in terms of not
only commentary but also physical attacks
aimed at individuals. In recent years we have
witnessed in this country a substantial in-
crease in anti-Jewish attacks, including as-
saults, vandalism and harassment. Late last
year the Executive Council of Australian
Jewry noted that, in the 12 months to Sep-
tember 2006, the incidence of such attacks
and intimidation had increased by almost 50
per cent over the annual average since fig-
ures first began to be collated in 1989. The
B’nai B’rith Anti-Defamation Commission
has reported similarly on this phenomenon of
increasing anti-Semitism. I should at this
point put on the record my congratulations to
and support of both of those organisations. In
addition to the work they do in monitoring
anti-Semitism, they have also been strong
advocates for promoting racial and religious
harmony in this country.

Some of the very serious incidents that
have occurred in recent times include van-
dalism and arson of synagogues, vandalism
of a rabbi’s home, physical attacks upon
Jewish students and worshippers leaving
synagogues and festivals, hate mail, abusive
and threatening telephone messages, and
graffiti on Jewish community facilities. In-
deep, for a number of years now, the Jewish
community has had to spend many hundreds
of thousands of dollars simply providing se-
curity for students at Jewish schools and
people attending other community facilities.

No doubt the increase is linked to the on-
going problems in the Middle East and the
increasing tendency to blame Israel for these
problems, irrespective of the facts. Demonis-
ing the state of Israel has become fashion-
able. Of course, there has never been any
shortage of people ready to peddle vicious
anti-Semitic hatred and perpetuate myths and
slanders, such as the infamous Protocols of
the Elders of Zion and the blood libel allega-
tions.

However, what is very disturbing is the
growing trend today towards anti-Semitism
and demonising Israel and Jews under the
guise of academic research and/or political
analysis and debate. The most notable in-
stances in the last year or so have been the
outrageous comments by people such as
Sheik Hilali in Sydney and also, on the inter-
national stage, the Iranian President Mah-
moud Ahmadinejad. In October 2005 Presi-
dent Ahmadinejad publicly called for the
state of Israel to be ‘wiped off the map’. He
made his speech in Tehran at a conference
which was entitled, ‘The World Without Zi-
onism’. President Ahmadinejad also con-
demned any proposals by Arab or Islamic
nations or leaders at that time to eventually
recognise Israel by stating:
Anybody who recognises Israel will burn in the
fire of the Islamic Nation’s fury—
while—
any leader—
that is, any Islamic leader—who recognises the Zionist regime means he is acknowledging the surrender and the defeat of the Islamic world.

President Ahmadinejad, of course, then went on to organise the infamous conference of Holocaust deniers held in Tehran in December 2006. He spuriously claimed that this conference was being held to examine scientifically the evidence on whether or not the Holocaust actually occurred. He claimed that this was an example of free speech in his country, yet the conference was attended by well-known Holocaust deniers and sceptics. In his address to that conference, President Ahmadinejad again called for Israel to be wiped off the map. He stated:

Just as the Soviet Union was wiped out and today does not exist, so will the Zionist regime soon be wiped out.

Obviously, President Ahmadinejad does not know his history, whether it relates to the Holocaust or to the Soviet Union. As we all know, the Soviet Union was not wiped out; rather, it collapsed from within due to its lack of freedom, democracy and human rights. Anything in excess of such a blatant rejection of the principles of the United Nations Charter by President Ahmadinejad could not be envisaged.

What is particularly disgraceful is that only three months earlier, in September last year, President Ahmadinejad attended and addressed the United Nations General Assembly. Here is a leader of a country which is a member of the United Nations publicly calling for another United Nations member state, a state that was created by the United Nations, to be wiped off the map, yet turning up in New York to address that assembly. It is sheer hypocrisy. This, of course, is the same leader and the same regime that continues to fund and arm Hezbollah and other terrorist organisations.

Of course at the end of the day the UN General Assembly reflects its own membership. Notwithstanding the fact that Israel was the first country specifically created by a decision of the UN General Assembly in 1948, the UN does not have a particularly good record when it comes to even-handedness on Israel and Middle Eastern issues. The UN conference on racism in Durban some years ago is a classic example. It ultimately turned into a blatant and disgraceful racist attack on Israel by countries whose own records on human rights, equality for women and religious tolerance are nothing short of appalling.

It is easy for people to dismiss President Ahmadinejad as some extremist, but we do so at our peril. People who believe in democracy and equality, whether on the Right or the Left, need to publicly stand up and condemn him. In the last year or so in Australia there has been an argument advanced by critics of Israel’s policies that they are being muzzled by the so-called Jewish lobby. The argument mirrors similar claims in the United States, which were advanced in March last year by two academics, John Mearsheimer and Stephen Walt. In summary, Messrs Mearsheimer and Walt argued that US foreign policy was controlled by a powerful Israel lobby. Their analysis was criticised by several commentators and an ongoing public debate ensued.

In Australia, in the following month, on 18 April, Antony Loewenstein, a well-known critic of Israel’s policies, wrote an article in the Australian defending Messrs Mearsheimer and Walt from the criticisms of their analysis. At the heart of Mr Loewenstein’s argument, which is also developed in his later book entitled My Israel Question, is the proposition that any attempt to criticise Israel and its policy is being prevented by an Israel lobby, both in the United States and here in Australia. Let me quote a couple of
extracts from his article titled ‘Don’t let any lobby shut down debate’. The subtitle of the article is ‘Two distinguished US international relations specialists are being demonised for criticising Washington’s close relationship with Israel, laments Antony Loewenstein’. He may not have been responsible for that subtitle but clearly it reflects the article. He says:

The extraordinary reaction to the Mearsheimer-Walt article suggests that the Israel-US relationship is out of bounds.

He goes on:

Public debate on the subject is routinely curtailed by intimidation and slander initiated by the Zionist lobby. In a healthy democracy, Israel’s policies should not be immune to criticism. However, this seems to be the status quo: Israel remains a blind spot on the US administration.

He goes on to speak about Australia:

An Israel lobby also exists in Australia, though it is far less influential than its US counterpart. The Australia/Israel & Jewish Affairs Council claims to represent the interests of the Jewish community in Australia and maintains strong ties with the Labor and Liberal parties.

He continues:

It would appear that even the mild proposition that the Palestinian people should have the right of self-determination is taboo.

And then:

For those who seek a just and peaceful solution to problems in the Middle East, it is disheartening to witness the attack on a reasoned paper analysing the US-Israel relationship ... It would be an indication of an ailing democracy if interest groups prevailed in the public sphere.

Mr Loewenstein’s allegations are absolutely ridiculous. They are also hypocritical. Firstly, the very fact that Mr Loewenstein’s article appeared in the Australian newspaper, and that his book, published subsequently, has gained such prominence in the public debate and in the media, including the Jewish media in this country, demonstrates the fallacy of his argument. Following publication of his book by Melbourne University Publishing, Mr Loewenstein received nationwide coverage in both the printed and electronic media. The coverage of this debate went on for weeks, so it is ludicrous to argue that he has somehow been prevented from debating these issues and from having his views heard.

The debate about Israel’s policies, the US’s policies and the Middle Eastern conflicts is very much alive in this country, just as it is in the United States and throughout the Western world. It is very much alive, particularly in the state of Israel itself, which is a strong democracy, albeit one that has been under constant threat for all of its existence. The evidence of that debate stands in stark contrast to most Islamic and Arab nations. I note that my colleague Senator Stephens earlier this year raised in the Senate the plight of Mr Salah Choudhury. Mr Choudhury is a journalist in Bangladesh who had the temerity to write an article criticising Islamic extremism and supporting interfaith dialogue, particularly between Christians, Muslims and Jews. He is now on trial for sedition in Bangladesh.

The second point I want to make is that whilst I have read many articles in the Australian media by commentators such as Mr Loewenstein, Professor Amin Saikal and others criticising Israel, I am still waiting to read an article by them criticising Ahmadinejad’s anti-Semitic attacks and calls for the destruction of the state of Israel. I very much doubt that those articles, if they have been written, have been censored or prevented from being published.

Thirdly, when it comes to pressure being applied to prevent public debate, the worst instance that I can recall was the call a couple of years ago by academics in the United Kingdom, supported by academics in this
country and in other Western countries, for a boycott of Israel, Israeli academics and institutions. Indeed, in the United Kingdom, Jewish academics were sacked for the very fact that they were Jewish. When academics in a democratic country call for a boycott of academics in another democratic country simply because they are Jewish then we have a serious problem. I do not recall Mr Loewenstein ever condemning that action.

A tactic that is also used in criticising Israel is to use the language that is particularly pertinent to the Jewish experience. Israel has been accused of ethnic cleansing, of genocide, of war crimes, of apartheid and even of perpetrating a holocaust on the Palestinian people. That is absolute nonsense and it is anti-Semitic. When your country has been threatened with annihilation, when your people have experienced the Holocaust—the murder of six million Jews—is it any wonder that persons from that community will stand up and defend their country’s right to exist and their people’s right to peace and democracy in the face of anti-Semitism? (Time expired)

Indigenous Affairs

Senator BARTLETT (Queensland) (1.16 pm)—Today I want to speak about some significant anniversaries dealing with Indigenous Australians that are coming up in the next few months. The first, which occurs on 27 May, is the 40th anniversary of the referendum to alter section 51 of the Constitution. By a very large margin it was the most successful referendum ever held in Australia. As all senators would be aware, the vast majority of questions put to referenda to amend the Constitution have failed, many of them dismally. This one not only succeeded but received a yes vote of over 90 per cent.

It should be noted precisely what that question did. It is sometimes slightly misrepresented as having given Aboriginal people the vote or some other measure like that. It amended section 51, which is the section that gives powers to the federal parliament, the Commonwealth parliament, to make laws for the peace, order and good government of the Commonwealth. The relevant section said that the parliament had the power to make laws for the peace, good order and good government of the Commonwealth with respect to the people of any race other than the Aboriginal race. It was the removal of the words ‘other than the Aboriginal race in any state’ that was the subject of the referendum. Whatever your views on the nature of Australi,

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I note the comment by Muriel Bamblett, writing in the Age earlier this week, that, for her, 1967 marked the time when becoming a true nation became possible. It is important to use anniversaries such as these to reflect on some of their underlying meaning. The fact that we managed to get Indigenous and non-Indigenous Australians working together with such power and strength that we got a 90 per cent positive vote—I say ‘we’; I was two years old at the time: I mean ‘we as Australians’—is a sign of how there is an ability to work together to strengthen the rights of Indigenous Australians.

But such occasions also remind us of what has not been achieved—the hopes that were held then that still have not been realised
and, in my view, the potential of our nation that still has not been fully realised. They are a time, as many people have said, for us to look at reviving that spirit of the 1967 referendum to restore a representative voice for Indigenous people, to tackle the disadvantage and marginalisations that many Indigenous Australians and communities still face, to seek to strengthen and implement the principles of self-determination, to promote respect for Aboriginal people and to mandate a cultural competence for all our public services. Those were just some of the suggestions Muriel Bamblett made.

This is a time when we should look at the opportunities to further build our nation. As Ms Bamblett suggested, we need a nation built on real rights for all. As Indigenous academic Larissa Berendt says, when you acknowledge the rights of Aboriginal people you do not take anything away from other individuals. In fact, you increase the overall rights pie for everyone. Ms Bamblett used an analogy for our country which I found particularly apt, which is: if we provided a true voice and true opportunity and equality for Indigenous Australians and recognised their rights to voice, land and culture, it would be like adding yeast to our potential. It would enable the Australian nation to really rise and achieve its full potential. This occasion is also a reminder that we should accept and learn from all of our history—not just the good bits or the bits that contributed to creating a feelgood picture. Whether it be a nation’s or an individual’s history, it is often the difficult times and the difficult consequences that one can learn most from.

That leads me to another anniversary I wish to note, which comes up on 10 June this year—that is, the 50th anniversary of the commencement of a major strike on Palm Island, an island off the coast of North Queensland near Townsville which has had some news coverage on and off over recent years. It is a reminder that history and experience cannot be separated from the reality of Palm Island today. The fact that people today still refer back to that strike on Palm Island indicates how significant it was in so many ways. When we understand that history it puts some of the reactions that occurred to the death in custody of Mulrunji a few years ago into clearer context and somewhat starker relief.

I will read from an account by Nicole Watson of events of the time in 1957:
The superintendent at the time of the strike was an ex-policeman, Roy Bartlam, said to be notorious for his sadistic punishments. He strictly enforced a morning roll call of all Aboriginal residents on the island. Those who were late were jailed for two weeks. All Indigenous residents, including the elderly and pregnant women, were forced to work 30 hours per week with rations as their only remuneration. Another grievance during Bartlam’s rule was the distribution of rations. Whereas the European minority receiving ample supplies, Indigenous people were forced to queue for leftovers. Although wages and conditions were the major causes of the strike, the immediate trigger was Bartlam’s decision to deport one Albie Geia. Geia had committed the offence—so-called—of disobeying the European overseer. When Geia refused to leave, the community rallied behind him declaring a strike on June 10, 1957. For five days the strikers controlled the island. The strike was eventually broken through dawn raids on the homes of community leaders. The men and their families, manacled in leg irons, were led to a military patrol boat. The men remained in chains throughout the journey. The strikers were exiled to other reserves on the mainland. None were charged with committing a criminal offence...

Last weekend, if not the weekend before, the magazine in my home town newspaper, the Courier-Mail, carried a cover story on Palm Island. In amongst the people talked to for
the story was a woman named Dulcie Isaro. Her father was amongst a group of island men who declared the general strike in 1957 over living conditions. She recalls the words of her father, Willie Thaiday, who told her, ‘We’re not dogs.’ The police came from Townsville and arrested the strike leaders, including her father, and dragged them away in chains. Dulcie Isaro, then 15, was also taken, along with her mother, Madge; her big sister, Nina, then 18; and her brother, Bill, 13. They had lived in the top end of the mission, the main settlement, but were taken away from that. She is quoted as remembering the island’s then superintendent, Mr Bartlam, telling the police, ‘When you take them, make sure Willie is chained to the mast.’ Dulcie Isaro is now 64 and she has painstakingly recorded what happened in the strike in 1957. When you look at some of the reality of what happened there, the reasons behind it, why the reaction from the residents of Palm Island was so strong and the sorts of actions that were taken, including police dawn raids and dragging people away in chains as a way of trying to break down that resistance, it does have some very clear echoes with some of the responses from police and others after the death in custody of Mulrunji in 2004. These things have deep resonance and they have that resonance for a reason.

I also note another anniversary which emphasises the importance of acknowledging history and recognising its consequences as a way of drawing lessons from it. That is the 10th anniversary of the tabling of the Bringing them home report, which examined and chronicled in great detail the experiences of the stolen generations and the detailed documented evidence of the practices and in some cases the specific policy of removing children from their parents and from family groups for no specific reason in many cases other than the colour of their skin. That report was tabled in this parliament on 26 May 1997. It is worth emphasising that whilst there are many recommendations within it, a number of those recommendations have not been implemented. They were rejected at the time by the government. There was a follow-up report by the Senate Legal and Constitutional Affairs Committee which also contained some recommendations; again, some of those were not supported by the government.

The 54 recommendations of the Bringing them home report were grouped into eight broad themes dealing with acknowledgement and apology; family tracing and reunion; rehabilitation; education and training; guarantees against repetition; reparation or compensation; issues of contemporary separation; and consultation, monitoring and coordination. As I said, the government did not support all of those recommendations. When they were responding to the Senate committee’s report—they tabled that response nearly six years ago, in June 2001—the government stated that they did not support recommendations regarding the establishment of a reparation tribunal or any mechanism for implementing reparations or individual compensation. I quote my former Democrat colleague Senator Aden Ridgeway in responding to that government view:

... the recommendations of the Bringing them home report are not a collection of options for governments to choose from. What we— the Democrats— were essentially saying, and what the human rights commission said at the time, during the Senate inquiry, was that the recommendations are a package of complementary measures that need to be implemented as a whole. Collectively, it is about those recommendations constituting the minimum acceptable response required to heal the legacy that is borne by members of the stolen generations, their families and their communities.
The report, as I said, contained a number of recommendations relating to reparation and they reflected what is detailed as the van Boven principles to guide those reparation measures. Those are basic principles and guidelines on the right to reparation for victims of gross violations of human rights and humanitarian law that were adopted at international level back in 1996. The report recommended that reparation be made to all who suffered because of forcible removal policies, including individuals who were forcibly removed as children; family members who suffered as a result of their removal; communities which, as a result of the forcible removal of children, suffered cultural and community disintegration; and descendents of those forcibly removed who, as a result, have been deprived of community ties, culture and language, and links with and entitlements to their traditional land. That is recommendation No. 4 of the report. That recommendation has never been implemented. Indeed, it has been specifically rejected.

I do think it is important to emphasise—as mentioned about the Palm Island strike and the reality of the stolen wages example, another issue that I do not have time to touch on today. The stolen wages issue was the subject of another Senate committee inquiry that reported last December—it is not enough to just say: ‘Well, at least these were all a long time ago and they have been recognised, sort of. You should all just move on and get over it.’ The legacy of this sort of damage is long term and very deep, and it can be extremely severe.

Nobody is suggesting that just paying money through reparation or compensation is going to resolve all of that but it is quite clear, and the intensive inquiry made it quite clear, that it must be part of the package. It is very much unfinished business yet to be addressed. For that reason I seek to table today an exposure draft for legislation that seeks to implement these recommendations regarding the stolen generations compensation, as well as an explanatory memorandum that is attached to the exposure draft, in order to further seek community views about what I believe is a key area of unfinished business. Nearly 10 years down the track it is still an issue that needs resolution and acknowledgement as part of ensuring that we take that step forward, as Muriel Bamblett said, towards realising our full potential as a nation. I seek leave to table the exposure draft and the explanatory memorandum.

Leave granted.

Wheat Industry

Senator ADAMS (Western Australia) (1.31 pm)—For many months, the issue of export wheat marketing has been a matter of public interest. Today I intend to inform the Senate of the progress made in the debate. The current wheat marketing arrangements have had a long history, and they have evolved over many years to meet the challenges facing growers. The past year and a half has been a very difficult time for the Australian wheat industry, and many alternative marketing arrangements have been proposed during this time.

The Cole inquiry forced farmers finally to discuss future wheat marketing arrangements in Australia and to ask: ‘What is the best option to market Australian wheat?’ It is vital that, whatever option or model is selected to resolve the wheat marketing arrangements in Australia, maximising grower returns must be the No. 1 priority. To commence the debate the Australian government announced the appointment of the Wheat Export Marketing Consultation Committee on 12 January 2007. The appointment of this committee delivered on the government’s commitment to put in place a consultative process to allow growers and other industry stakeholders
to express their views on future marketing arrangements for the export of wheat.

The Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, is to be congratulated on his choice of four very competent and experienced committee members. The chairman, Mr John Ralph AC, has been the deputy chairman of Telstra Corporation Ltd; the chairman of Foster’s Brewing Group Ltd, Pacific Dunlop Ltd and the Commonwealth Bank; and director of BHP Ltd and Pioneer International Ltd. Other committee members include Mr Roger Corbett AM, who is well known for his outstanding work as the former chief executive officer and group managing director of Woolworths Ltd; Mr Peter Corrish, past president of the National Farmers Federation; and Mr Mike Carroll, the immediate past general manager of National Australia Bank’s Agribusiness division.

The committee undertook an extensive consultation process, travelling throughout Australia to meet with representatives of the Australian wheat industry, which included growers, marketers and representative organisations. The committee is due to report to the government this Friday, 30 March 2007. The consultation process throughout February 2007 included 25 public meetings in the major wheat growing regions of Queensland, Victoria, New South Wales, South Australia and my home state of Western Australia. The purpose of these meetings was to gain evidence from farmers and others associated with the wheat export trade to determine the best model for Australia’s future wheat export marketing arrangements. I attended five of the eight meetings held in the wheat-growing areas in my state of Western Australia, at Geraldton, Dalwallinu, Merredin, Katanning and Perth. It was important for me to hear what Western Australian farmers had to say so that I could obtain the information I need to make an informed decision about this issue when the time comes.

I was impressed with the fact that most speakers were prepared for the meeting and had clearly read the information provided by the government on the Wheat Export Marketing Consultation Committee website—in fact, several speakers referred to it and thanked the committee for providing it as a jumping-off point to their presentations. That website really did prepare people about the process they would have to face in attending the meetings. When addressing the committee, the majority of speakers identified themselves as either in support of or against a single desk marketing arrangement, a national pool and a separation of AWB Ltd from AWB International. Further to that, farmers who addressed the committee went on to explain their need for transparency of marketing arrangements and market information and the so-called buyer of last resort and security of payments. Those who supported a deregulated market discussed a possible transition period to this arrangement, the continuation of bag and container exports and potential buyers of Australian wheat. The meetings were a great opportunity for farmers to hear a range of other opinions, and I think a large number of them learnt a great deal about the lack of accountability and transparency in past marketing arrangements.

Many growers identified that the turning point for wheat marketing in Australia came in 1999, when the statutory wheat marketing of export wheat ended and the government underwriting of the borrowings ceased. The commercial roles of the former Australian Wheat Board were transferred to a grower owned and controlled company, AWB Ltd. The single desk was retained, with AWB International, a subsidiary of AWB Ltd, having exemption from the Wheat Export Authority export controls and being given the power to veto other bulk exporters. It was
mentioned at least once at each of the meetings I attended that this legislation had not served the industry well and that the result seemed like an iron curtain that had been put up between AWB and the wheat growers.

I was happy to hear one farmer acknowledge that the member for O’Connor, the Hon. Wilson Tuckey, had raised questions about this legislation from the beginning and could see the potential for problems to arise. In his speech in the second reading debate of the Wheat Marketing Legislation Amendment Bill 1998 in the House of Representatives on 1 June 1998, Mr Tuckey said:

I hope my concerns are never realised. However, just as I have promoted them in party forums, I would be wrong not to put them on the record today.

I suggest to senators here that they look back at those speeches made by the honourable member for O’Connor. He spoke in 1997 and 1998. It is quite frightening that what he said then has actually happened.

To go back to the meetings: throughout the meetings many farmers stated that they were supportive of the single desk, but an analysis showed that 20 per cent were supportive of the status quo and some 70 per cent were supportive of some kind of single desk but did not want to go back to the model they had with the AWB monopoly. I will go through some of the comments made by those who did not want to go back to a single desk model. A farmer at the Perth meeting declared that monopolies were impossible. I would have to agree with him. At the PGA conference held recently in Perth, Paul Kerin spoke about the monopoly of AWB and compared it with the East India Company. Those of you who are interested in history, please go back and have a look. I can certainly provide his speech, because it was very entertaining—but, my word, there were some comparisons and it was quite frightening.

A farmer from Badgingarra, north of Perth, said that he felt it was a basic denial of his rights to force him to sell his wheat to AWB. Another farmer, from Cranbrook, agreed, saying that as an individual grower he wanted the ability to choose where he sold. A Katanning farmer said that, in the interest of the industry, it was time to move on—deregulation was inevitable but not necessarily immediately. Interestingly, a farmer at the Merredin meeting said that growers who supported deregulation were selfish. We had another counterargument on this in Perth when a farmer from the Midlands area, north of Perth, supporting deregulation and speaking on behalf of 34 other like-minded farmers, said it was not his responsibility if another farmer made a bad business decision. This group of farmers considered it was their ‘property right’ to sell grain where they wished. A Calingiri farmer said he was insulted by the insinuation that growers could not be marketers. He wanted choice. A farmer from Eneabba was bewildered as to how, in this country, the outdated system of the single desk was still in place.

The most important point made during the meetings was that many farmers would not have attended or spoken at the meetings because they did not want to give an opposing view to that of their neighbours. I found, going to a number of these meetings, that people came to me later and said, ‘I would have loved to have spoken but so-and-so was up there speaking the other way and I didn’t want to upset him because he’s a good neighbour.’ But I think this barrier has been broken. The debate is right out there, and I think this consultation process has made a huge difference for us.

In Western Australia, some 95 per cent of the wheat produced is exported. I think peo-
people in this place have heard us go on about this. It is very different to the eastern states. They already have a deregulated market. In Western Australia our domestic market really is to the north of us, in Asia. We have to export our wheat. The dependence upon exports is not shared to anywhere near the same extent by wheat growers in other states. Therefore, the wheat growers in Western Australia and South Australia are left with no choice but to pay the fees extracted by AWB Ltd as the service agent for its fully owned subsidiary AWB International. As I said, growers in the eastern states are operating in a completely different market from their Western Australian counterparts.

I now would like to speak a little about our new breed of farmers—young farmers who probably face the world in a different way from their parents and who are looking at the single desk as being their way of marketing. These young farmers have attended agricultural colleges and understand that marketing and computer skills are very important to running their businesses. If they need to know the current wheat price, they know how to get it. As a result, younger farmers have the confidence to market their own wheat. They do not think the world will end if deregulation comes into effect, and they acknowledge that, if AWB is a strong exporter and good at what it does, growers will continue to use it.

A recent media release by the Grains Council of Australia touched on the subject of younger farmers and the role they are playing in the future of wheat marketing. The chief executive officer, Murray Jones, said:

We have to look to the future and not to the past for answers. My message here is to not ignore younger farmers. If you do ignore them or shout them down, they will switch off and you will lose them as members or potential members.

Young farmers need to be listened to and their contribution respected, because they are the future of the industry and the future of your organisation.

He was speaking about the Grains Council of Australia.

Another farmer, in Katanning, stated that really competition was not a worry and that he has great faith in young farmers. He has two sons and they should not be held back by the older farmers.

I would like to commend the Wheat Export Marketing Consultation Committee for the excellent job they did in conducting these meetings in such a professional manner. Each speaker was given appropriate time to make their point, and the committee and the audience treated them with respect. I am looking forward to the committee’s report, due to be released on Friday, and I am sure it will make interesting reading.

Other initiatives that have emerged since the conclusion of these meetings include a groundbreaking education program which has been designed to empower growers with a competitive edge in marketing their own grain. This commenced in rural Western Australia this week. The National Agricultural Commodities Marketing Association, known as NACMA, has joined forces with Curtin University of Technology, through its Muresk Institute, to produce a targeted education program aimed at boosting farmers’ ability to market grain. The course material is designed specifically for WA growers and will provide them with an intricate understanding of how grain is marketed internationally and how to cope with a vast array of options should they arise.

Just to conclude: I was very happy to see that a meeting will be held tomorrow of a non-binding working party of industry grain marketers. The group includes AWB, ABB, CBH, GrainCorp and the Grain Growers Association. The Grains Council of Australia has also received an agreement that the de-
partment and the Wheat Export Authority will help the working party with advice if required.

It is great to see that these organisations will be working together. They are competitors but they are going to get together tomorrow to try to work out a solution, as we in the parliament are doing. We are having many meetings—and we have a large number of lobbyists here, all with very good credentials—to try to come up with a model that really works. I would like to add that I will be applying tomorrow to postpone the introduction of the Wheat Marketing Legislation Amendment Bill 2007, which is on the Senate Notice Paper. I do not think this is the right time to begin debating it, but I still believe in my own heart that that is possibly the way forward.

Workplace Relations

Economy

Senator HUTCHINS (New South Wales) (1.45 pm)—I rise to speak today on the pressures facing families in greater Western Sydney. These pressures centre on the convergence of three issues, all of which lie with the actions of this government. I speak about the convergence of Work Choices, rising costs of living and barriers to finding more work.

Greater Western Sydney is often discussed in terms of its parochialism, but its residents share the aspirations of all Australians in wanting to better their situation. There is, however, an underlying financial vulnerability to Western Sydney. Many of its residents are at the margins of economic stability, and the so-called hard decisions taken by this government are felt all the more in my region.

Yesterday we marked the first anniversary of the introduction of Work Choices. While the government patted itself on the back for its ideological win over the labour move-
working under registered collective agreements but that, despite this, they are actually working an additional 4.1 hours per week. This means that, averaged out, their hourly earnings are 3.3 per cent less than those of equivalent workers on collective agreements.

The last census in 2001 showed that just over 80 per cent of people in the federal electorate of Lindsay were earning less than $52,000 a year, which would indicate that many of them fall into the non-managerial category that Professor Peetz referred to. Women and casuals in low-wage industries are the hardest hit. Professor Peetz found that female full-time workers were earning 8.5 per cent less on AWAs than if they were covered by a collective agreement and that female casual workers earned seven per cent less than the award rate on AWAs.

Historically, women have been paid less because they are overrepresented in low-wage industries, but the abolition of the no-disadvantage test has seen this gap widen to the point where they are earning less than the minimum wages set out in the relevant awards. In my duty electorate of Lindsay, according to the last census in 2001, 20 per cent of women were employed in the retail trade. These are the workers in the firing line of Work Choices because they have the least bargaining power.

We are only seeing the beginning. No-one in the labour movement said that the sky would fall in; what we warned about was the steady unravelling of 100 years of rights and protections for workers. As more employees come off collective agreements and are moved on to AWAs, we will see the work/life balance made harder and harder to manage and wages take a downturn. Not only do they have to contend with a fall in their wages and conditions; workers also have to contend with the possibility of being sacked for any reason and have no unfair dismissal protec-

tion if they work in a company with fewer than 100 employees. In Lindsay, that is 99 per cent of businesses.

Employees in my electorates have no more job security. They are losing their jobs but they are unable to do anything about it. I noted Senator Humphries last night in his adjournment speech arguing that we have not heard of these cases publicly, therefore, according to him, they do not exist. I can assure Senator Humphries and any of his doubting colleagues that these cases do exist, because they come to my office—and I am certain to the offices of my colleagues—on a weekly basis. They are afraid to go public because they are concerned about how this will affect their job prospects in the future. They do not want to be seen as troublemakers, but they do want justice if they are unfairly dismissed. The system the government has put in place delivers no justice and no chance of reinstatement.

In the last month I have been approached by a mechanic whose state award had been overridden by Work Choices, allowing his employer to reduce his workforce numbers to fewer than 15 before winding up the company and avoiding a redundancy payout. I have also been approached by a young chef who, after a period of hospitalisation for a serious infection, was sacked upon return to work. He was never paid holiday pay and never paid overtime. I have no doubt these cases will continue to surface and the undercurrent of discontent will continue to flow, whether the coalition recognises this or not.

The second of the three pressures facing Western Sydney is the rising cost of living, of which I would name housing costs and interest rates as the largest component. Families in Western Sydney are among the most vulnerable to upward movements of interest rates. They are the most likely to have borrowed at the peak of the real estate boom in
2003 and to have high debt-to-asset and debt-to-income ratios. The Reserve Bank of Australia has specifically identified Western Sydney as a region most at risk if interest rates go up. In its March 2007 Financial Stability Review, released last week, the RBA noted that, on average, loan defaults and mortgagee sales have increased in Western Sydney—and little wonder. Eight consecutive interest rate rises have pushed these families to the wall. These families listened to the Prime Minister’s promise during the 2004 election that interest rates would not rise and then watched as they were hit by four increases in the space of two years. The result of those increases is Australian families are paying a record high proportion of their disposable incomes to interest repayments. The figure is currently hovering at around 11 per cent for all interest repayments, and just over nine per cent for housing loan interest repayments. These figures are almost double what they were in 1996, when this government came to power.

There is no such thing as a small mortgage these days and there is no such thing as a small interest rate rise. I have spoken with constituents who are hovering at the fringe, wondering whether they will be able to make mortgage repayments each month. I have had families approach me and tell me of how they are having to sell their homes because they simply cannot afford them. They are crossing their fingers that they will get at least the same price they paid in 2003—an increasingly difficult proposition for many.

Whomever I speak to about this issue in Western Sydney, though, the resounding concern is over another interest rate rise. Last November, when they were foisted with the eighth straight rise, many households drew a line in the sand. They know that, if they were forced to absorb another interest rate rise, even of a quarter of a percentage point, they will have crossed that line.

Senator Scullion—17 per cent!

Senator HUTCHINS—I do not know whether you listened to me about their debt ratio. People in the mortgage belt have tightened their budgets almost as far as they can go. They have cut out extra trips in the car to save on the petrol bills, they have given up indulgences at the supermarket, they have even forgone some of their children’s sporting activities just to make certain they have a roof over their heads. When you have trimmed all the fat you can, what else remains to trim but the costs of a family home?

Already we have seen a 400 per cent increase in mortgagee sales in Penrith over the last year. Court applications for property repossessions in New South Wales have increased 60 per cent in the last two years—I hope my coalition colleagues heard that. As of the end of last year, 2,778 bankruptcies had been registered in New South Wales. This trend will continue as long as the government fails to rein in inflationary pressures and reduce the upward pressure on rates. If interest rates rise again under this government, we will see more and more people turn to charities for assistance, charities which are helping a greater proportion of people traditionally classified as ‘middle-class’. Families will be driven to the wall and they will not forget the role played by this government.

With all of the price pressures facing many families in Western Sydney, residents are understandably looking to bolster their earnings potential. Notwithstanding the barriers to gaining more work put up by Work Choices, Western Sydney families are also seeing their efforts frustrated by a lack of support in the system. I speak particularly about child care. Child care in Australia, with no national planning approach, has been allowed to degenerate into a shambles whereby either there is not enough of it or it is prohibitively expensive.
Yesterday’s ‘Persons not in the labour force’ survey, released by the ABS, states that almost 100,000 were not in the workforce because of the poor state of the childcare system. Nationwide 58,200 people cited cost as the No. 1 issue. The cost of child care, particularly for the zero- to two-year-old sector, has blown out to such an extent that it is discouraging women from returning to work after the birth of their children. The out-of-pocket expenses for families using child care are at record levels. Analysis of CPI figures shows that over the past 10 years, out-of-pocket childcare expenses have doubled nationwide and soared 88 per cent in Sydney. Increases in the cost of child care have outstripped price hikes for fresh fruit, petrol and holidays. Over the past year alone, out-of-pocket childcare expenses, which are the costs after parents have received the childcare benefit and rebate, have risen a further 12 per cent.

The federal government has abandoned child care to the free market and walked away from its responsibility to make the system accessible and affordable. Care for three- to five-year-olds is more profitable and less costly for operators, so the important zero- to two-year-old age bracket, which is more resource intensive, is falling by the wayside. This has been a problem for many years. This inaction by the government means that a significant share of the potential workforce is being denied the opportunity to work. The government is saying to families they have the choice between working and raising children, but they cannot have both.

The three issues I have outlined today—Work Choices, interest rates and child care—are placing significant pressures on families in Western Sydney. They are trying to get ahead and share in the economic prosperity, but the policies of the coalition are stymieing their efforts. We need a government that understands the pressures they face and a government that is willing to make changes to restore balance and fairness. After 11 years, the coalition has only demonstrated its lack of determination. Only a Labor government will give people that chance.

QUESTIONS WITHOUT NOTICE
Climate Change

Senator CHRIS EVANS (2.00 pm)—My question is to Senator Minchin, representing the Prime Minister. Is the minister aware that those who have lodged submissions with the Prime Ministerial Task Group on Emissions Trading in support of a national emissions trading scheme include BHP, Rio Tinto, Shell, NAB, Qantas, AGL, the Insurance Council of Australia and plantation and paper industries? Is the minister aware that the submissions from many major corporations now recognise that any global emissions trading scheme will only evolve from a collection of national and regional schemes? Isn’t business reflecting the wider community’s frustration with the Howard government’s failure to tackle climate change? When will the government stop its denial of climate change and accept the need for a national carbon trading scheme?

Senator MINCHIN—It comes as a great shock to me that, on the occasion of the visit of the British Labour government’s adviser on the economics of these matters, Sir Nicholas Stern, the Labor Party should ask a question about climate change! But can I respond to the question by noting that it is this government’s initiative in establishing a highly credentialed task force to examine emissions trading that prompts the question and that, indeed, these are submissions to that task force that we have invited from industry on the question of what sort of emissions trading scheme might be appropriate or on the shape of an emissions trading scheme in which Australia could participate. One of the issues, obviously, that that task force will
have to consider in its report is whether you
could establish, for example, a domestic or
regional emissions trading scheme based
around Australia, satisfactorily and effect-
ively, that would have an abating effect on
greenhouse gas emissions, or whether that
simply would not work and you would have
to develop a truly international scheme if you
were to achieve net reductions in emissions.

One of the concerns the government has
always had—and one of the reasons we were
unwilling to ratify the Kyoto protocol—is
that there can be absolutely no net gain either
to Australia or to the international environ-
ment if all that domestic policy does is drive
substantial greenhouse gas emitting indus-
tries offshore, to countries that are not part of
any sort of international structure and, in-
deed, with much lower emissions trading or
general environmental standards. You might
well have a net increase in emissions but the
loss of very valuable jobs and export income
in this country. So it is a very serious issue. It
is not a matter for grandstanding and playing
to the audience. As a responsible national
government—and I think Labor should un-
derstand this, having been in government and
being a party that wishes to be in office—
you do have to take account of the overall
national interest and have an eye to what is
achievable.

An emissions trading scheme is one way
in which you could put a price on carbon
and, therefore, hopefully, have some abate-
ment effect on emissions. Another way is a
carbon tax. The government has indicated its
preference, if there is to be any move, for
emissions trading over a tax, but there are
many learned people who think a tax is a
viable option. But we have always had con-
cerns about the extent to which you can
move unilaterally without doing great dam-
age to the Australian economy and achieve
nothing in terms of any international effort to
contain greenhouse gas emissions.

So we look forward very much to the re-
port of the task force to which Senator Evans
referred. It will report back to the govern-
ment by 31 May. We are delighted that in-
dustry has responded positively to it and is
putting its ideas forward. We will construc-
tively and sensibly consider those ideas and
report to the Australian people our views on
this matter once we have that report.

Senator CHRIS EVANS—Mr President,
I ask a supplementary question. I thank the
minister for his answer, where he again out-
lined his opposition to Australia doing any-
thing unilaterally in relation to tackling car-
bon emissions. Isn’t that the very concern
that business is expressing? Isn’t that the
very concern of Sir Nicholas Stern, that we
need action now, and that the government
continuing to sit on its hands, the delays in
taking any real action, will only cost Austra-
lia greatly? Hasn’t the government’s re-
response been merely to set up a committee?
And hasn’t the government effectively been
unable to lead on this vital question because
senior ministers like Senator Minchin are
still in denial about the reality of climate
change? Aren’t you incapable of providing
leadership on this issue because you do not
accept the science?

Senator MINCHIN—The Leader of the
Opposition in the Senate is putting words in
my mouth. All I did, in my answer to his
question, was to point out that any respon-
sible national government must take account
of whether or not acting unilaterally will ac-
tually achieve anything positive without do-
ing great damage to the Australian economy.
I note his reference to Sir Nicholas Stern,
who, as I understand it, does particularly
emphasise the importance of international
action, for the very reasons I outlined in my
answer.

With the extraordinary growth in the Chi-
nese economy, you could shut down the Aus-
Australian economy tomorrow and eliminate all our greenhouse gas emissions from anthropogenic causes and they would be replaced in nine months by the growth in China. That is a demonstration of the very serious issue that is at hand here as to what is responsible and possible, on Australia’s part, to cost-effectively reduce emissions without reducing Australian standards of living for no point whatsoever. We would ask the Labor Party to adopt a much more balanced attitude on this issue.

**Future Fund**

Senator WATSON (2.06 pm)—My question is also directed to the Leader of the Government in the Senate, the Minister for Finance and Administration. Will the minister explain how the government is preparing Australia to deal with an ageing population? As part of that preparation, how important is the role of the Future Fund in assessing demographic changes, and is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Watson for that question and acknowledge his long interest in these issues. We as a government have been all about making the hard decisions that are in the long-term national interests of this country. They include substantial personal tax reform, the GST, industrial relations, our Welfare to Work reforms and superannuation reforms, which I know Senator Watson is particularly interested in, like abolishing all exit taxes on super to give people more incentive to save for their retirement, and that builds on our other initiatives like the co-contribution scheme.

So we have continued to develop plans to deal with the long-term demographic challenges facing this country. To help us continue to address those issues, the second five-year *Intergenerational report* will be released by the Treasurer next Monday. It will show that the plans we are putting in place are already helping Australia to meet the very significant demographic challenge it has, but we will need to continue to make significant and difficult decisions for this country and that is why the Future Fund, to which Senator Watson refers, is so vitally important.

By the year 2020, only 13 years away, the taxpayers of the day are going to want their taxes to go to the important government services they need, such as health care, aged care and age pensions. Without the Future Fund they would have a bill of $7 billion every single year for the superannuation of former public servants. After the success of T3, we already have $50 billion in the Future Fund, but there is a $140 billion liability which that fund must meet. That is the size of the gap that has to be bridged. The best way to turn that $50 billion into $140 billion is to let the fund reinvest its earnings every year so that, with compound interest, the $50 billion will grow by billions of dollars every year, but under Labor’s alternative policy on this matter not only are they taking $2.7 billion out of the capital of the fund for their national broadband scheme but also they have admitted they are going to take out the earnings of the fund every single year. So under Labor the fund will not be able to grow at all.

Labor like to pretend that under their policy they can have their cake and eat it too—that they can keep the smash and grab raid on the fund for their projects but the super liability is going to be met as well. That is fundamentally impossible. Without being able to reinvest its earnings, the fund simply can never move from the $50 billion it has now to $140 billion. Of course, Labor are refusing to rule out further raids on the fund, despite trying to lecture us about treating the fund like a locked box. Just yesterday the *Australian* newspaper reported Shadow Minister Tanner as saying that the Future Fund
needed to be more independent of government as the governance arrangements currently allowed for too much government interference. So Mr Tanner has the hide to lecture us about the Future Fund after they on the other side have just announced they are going to raid the fund.

The Treasurer raised this matter in the other place yesterday and Mr Tanner interjected that he made those comments last week. So last week Mr Tanner was telling the Australian that the Future Fund needed to be more independent and two days later Mr Tanner stands there with Mr Rudd, without Senator Conroy, announcing that Labor will force the Future Fund to invest in broadband. The Australian people simply cannot believe anything these people say. You cannot trust the Labor Party with a $50 billion savings fund, let alone a $1 trillion economy.

**Climate Change**

**Senator GEORGE CAMPBELL** (2.11 pm)—My question is to Senator Abetz, the Minister representing the Minister for the Environment and Water Resources. As a minister who likes to play the guessing game, guess who said this:

... we have accepted the science of greenhouse ...

We are not trying to buck that science, and we are not trying to talk down the urgency. We do believe this is an urgent matter.

For the minister’s benefit, it was Senator Hill, the then Minister for the Environment, in November 1996. Why was it that in 1996 the environment minister accepted the science of climate change and saw the need for urgent action, yet 10 years on the Prime Minister remained a sceptic, as evidenced by his statement last November that he was not going to be rushed into a panicky response to something that might not be as bad as many are predicting? Isn’t it true that the climate change sceptics won the debate inside the government and that the government is still deeply divided and firmly in denial?

**Senator ABETZ**—I am happy to disappoint Senator George Campbell and advise him that we are not deeply divided. We are, in fact, a very unified government and we are concentrating on delivering for the benefit of our fellow Australians. The proof in all these matters is in examining the issue, but I say to Senator Campbell and others that excessive advocacy on these issues unfortunately tends to trivialise them. I ask Senator George Campbell to listen in silence for once to the actual evidence. The evidence is, according to Senator Campbell—and I am taking a very big risk on this because I have been burnt so often in accepting Labor Party quotes at face value, but I am willing to take this one at face value—that Senator Hill, as Minister for the Environment, made comments about greenhouse issues. What did he do and what did the Howard government do? We established the Australian Greenhouse Office and somebody might be able to correct me—in 1997 or 1998. Within two years of coming to office, we had the Greenhouse Office up and running. What does that say? That the Prime Minister and the cabinet agreed that this was an issue that needed to be dealt with, but without all the fanfare and without all the hysteria that those opposite seek to create on this important issue. We just went about our business of doing that which is sensible and practical.

The Labor Party have discovered the greenhouse issue just in recent times. We established the Greenhouse Office eight or nine years ago—somebody might be able to do the maths for me—way before the Labor Party ever thought of asking questions about this issue in this place. Since the establishment of the Australian Greenhouse Office, we have engaged in providing funding to renewable energy sources and providing grants to reduce the amount of greenhouse
gas—be it in the forestry sector or in all sectors.

Senator Brandis interjecting—

Senator ABETZ—I thank Senator Brandis for his intervention; he has done the maths. We set up the Australian Greenhouse Office some nine years ago—nearly a decade ago—and we are accused of not taking the issue seriously—

Senator Chris Evans interjecting—

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

Senator ABETZ—and that we did not take the issue seriously. Of course we did. Might I add, we set this office up during a time when we were under severe financial pressure in trying to make the budget balance because of the profligacy of the Australian Labor Party. Let us not forget that a $96 billion debt was left to us and a $10.3 billion recurrent deficit was left to us when we came to government. Despite those economic imperatives, we saw the environmental imperative of establishing the Australian Greenhouse Office. Of course, we did that with the support of the Prime Minister, with the support of the cabinet and, I would have hoped, although the Labor Party undoubtedly did not realise it, with the support of this parliament.

To come into this place today, nine years after the event, and claim that you somehow the champion of dealing with greenhouse issues—

Senator Coonan—New messiahs!

Senator ABETZ—that is a very good term, Senator Coonan—pretending that you are somehow the new messiah dealing with these issues, is unfortunately another gross example of the Australian Labor Party seeking to rewrite history. (Time expired)

Senator GEORGE CAMPBELL—Mr President, I ask a supplementary question. Minister, if you set up the Greenhouse Office 10 years ago, why are we still waiting for action on climate change? Wasn’t the Prime Minister’s announcement of a task force in 2006 just another clever political fix? Minister, isn’t the government still dominated by climate change sceptics who are not capable of providing the solutions that Australia needs?

Time expired)

Green Corps

Senator BARNETT (2.18 pm)—My question is to Senator the Hon. Eric Abetz, the Minister representing the Minister for Workforce Participation. In addition to the first anniversary of the excellent and outstanding government initiative of Work Choices, this week is also the 10th anniversary of the outstanding government initiative
of Green Corps. In that regard, I am proud to say that my first official event as a senator was to launch a Green Corps event. Would the minister please update the Senate on the employment, environmental and other benefits of Green Corps and the Green Corps projects since it was launched some 10 years ago? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Barnett for his longstanding interest in Green Corps, a fantastic program run by the government, and also for his very keen interest in the success of Work Choices. Those of us on this side recognise that the best form of income for someone is a job rather than welfare. Not only does employment deliver financial rewards, but it also provides a sense of purpose, a sense of achievement and motivation for an individual. That is why we are encouraging people back to work with our Welfare to Work policies and policies such as Green Corps, which, like Work Choices, also has a birthday, turning 10 years old this week.

Green Corps is an outstanding program for young people which delivers real employment outcomes and real environmental outcomes for our nation. It is the sort of practical environmentalism that the Howard government is all about, and has been for 10 years. During the 10 years of Green Corps, more than 16,000 young Australians have participated in nearly 1,600 projects right across the country, from the Pilbara to the Bass Strait islands to Cape York, Sydney Harbour and Alice Springs.

To date, the achievements of Green Corps include: planting over 14 million trees—I venture to suggest that that might be 14,000,002 trees more than Senator Bob Brown has ever planted; erecting more than 8,000 kilometres of protective fencing; removing 50,000 hectares of weeds; collecting over 9.5 tonnes of native seeds; and building or maintaining 5,000 kilometres of walking tracks—real, practical and genuine environmental outcomes.

In addition to delivering these environmental outcomes, Green Corps delivers real job outcomes for the job participants. As Anna Lohse, a recent Green Corps graduate who now works as a sustainability officer with the University of Ballarat, said:

Green Corps provided an important step up into the industry, which is often very difficult to get into. My six months with Green Corps opened doors in both voluntary and paid work.

The success of these programs is reflected in the low levels of unemployment and the significant falls in long-term unemployment in this country, with more Australians in work now than ever before.

Our practical policies such as Green Corps contrast with the policies of those opposite, and the Greens in particular, who talk a lot about the environment but never deliver. Indeed, I have never seen a Green at a Green Corps launch or a Green Corps graduation. That is not a matter of surprise to most of us. If you want to know what the policies of the Greens are on the environment you should listen to this. We know they do not have them up on their website at the moment, because they are on ice, so to speak, so I refer colleagues to pick up on what the leader of the Greens in Tasmania, Peg Putt, said on Southern Cross TV on 13 March: ‘In Tasmania, regrowth logs can come and do come from high-growth conservation value pristine forests that have never been logged.’ That is regrowth coming from forests that have never been logged! That is the sort of mentality that we as a government have to deal with when we engage with the Australian Greens on environmental issues. It is all said by the Greens leader in Tasmania herself. I
would encourage the Greens to engage in practical projects—*(Time expired).*

**Carbon Trading**

Senator HUTCHINS (2.23 pm)—My question is to Senator Minchin, the Minister representing the Prime Minister. Hasn’t the government had an array of different positions on carbon trading over the past 10 years, including: rejecting proposals for putting a price on carbon in 1997 and in 2003; the minister himself and the Treasurer saying that Australia will only join a global trading scheme in the long term; the Minister for Industry, Tourism and Resources saying we might join a regional trading scheme in the medium term; and the Prime Minister, under political pressure last year, setting up a committee?

Senator Ian Campbell interjecting—

Senator Robert Ray interjecting—

The PRESIDENT—Order! Senator Ian Campbell and Senator Ray, shouting across the chamber is disorderly.

Senator HUTCHINS—Hasn’t the government been all over the shop on carbon trading, totally compromised by carbon sceptics like Senator Minchin? When will the government finally have a position on carbon trading?

Senator MINCHIN (South Australia—Minister for Finance and Administration) (2.24 pm)—As I said in my answer to Senator Evans, this government has a focus on the national interest in ensuring that, as we address the evolving science on climate change and evolving international responses to climate change, we keep an eye to Australia’s national interest, something the Labor Party seems to have forgotten with its environment spokesman running around saying that we have to be shut down the Australian coal industry. We will not do that. We will ensure that, whatever we do in making sure Australia contributes to international efforts to contain greenhouse gas emissions, we preserve the national interest and that we look after Australian workers, unlike the Australian Labor Party, which is all too ready to abandon Australian workers whenever it suits them and when they want Greens preferences. So much of what we hear from the Labor Party is nothing more than a naked grab for Greens preferences in a desperate bid to get over the line. They will abandon the workers like they did in the 2004 election if they think it will get them Greens preferences. That is what we have seen from Mr Garrett in his abandoning of people in the coal industry. The coal industry is a vital industry in this country and one of the biggest export earners we have. We are not going to abandon them simply to chase votes like the Australian Labor Party.

In the meantime, we will take a realistic, pragmatic and sensible approach to this issue. The science on climate change has been evolving. The fact of Australia’s position is that it contributes just over one per cent of the anthropogenic greenhouse gas emissions that the world emits. Yes, we can make a contribution. Yes, we are leading on many issues in relation to this matter. Yes, we adopted a Kyoto target of 108 per cent which we are going to achieve. We have spent nearly $2 billion to achieve that target. We are proud of our record on this issue. We are not going to abandon Australian workers or risk the foundations of this economy like the Labor Party in a blind chase for Greens preferences.

Senator HUTCHINS—Mr President, I ask a supplementary question. Don’t most companies now see it as inevitable that a national carbon trading scheme will be introduced in Australia? Haven’t many been including a notional carbon price in their feasibility planning for a number of years? Why can’t the government see what every major
corporation can, that setting a price on carbon is inevitable and ultimately in our national interest?

Senator MINCHIN—This is really an idiotic question because we have established a national and highly qualified expert task force to examine this. This is an extremely complicated matter. The European emissions trading scheme has collapsed in on itself. It simply has not worked. We have to get this right. We cannot just rush in like the Labor Party would have it. We are going to get this right. The report will be with us on 31 May and we will announce the outcome after that. We are taking considered, solid steps to ensure that, if we are going to go down this path, we do it sensibly and do not end up like the Europeans with a scheme which has collapsed in on itself.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s Gallery of an Australian Political Exchange Council delegation from the International Youth Cooperation Development Centre in Vietnam. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Health

Senator HUMPHRIES (2.28 pm)—My question is to Senator Ellison as the Minister representing the Minister for Health and Ageing. I am aware that there have been very substantial improvements in the last 11 years in the rate of immunisation of Australian children. Could the minister inform the Senate of government initiatives to extend the immunisation register to further enhance the protection of Australian children?

Senator ELLISON—That is certainly a very important question from Senator Humphries because, quite frankly, immunisation has been established in the last 100 years as one of the most effective public health measures that we have seen. The Howard government has a proud history with its National Immunisation Program. Over our time in government, we have seen the expenditure on immunisation of our children rise from $13 million a year to $207 million a year. It is great to announce today that the Howard government is adding to its list of achievements in relation to the immunisation of Australian children through the immunisation of children for the rotavirus.

Rotavirus gastroenteritis causes severe diarrhoea and accounts for the hospitalisation of around 10,000 Australian children each year. The rotavirus occurs more frequently in young children, with almost half of all cases occurring in babies under 12 months of age and the majority of cases occurring in children under five years of age. In particular, Aboriginal and Torres Strait Islander children are seriously affected by this disease.

Two rotavirus vaccines will be available under the National Immunisation Program: Rotarix from GlaxoSmithKline and also RotatTeq from CSL Ltd. The new vaccines will be given orally to babies from two to six months of age, commencing in July 2007. All babies born from 1 May 2007 will be eligible for the free vaccines.

This builds on a great history, as I said earlier, of immunising Australians, Australia’s children in particular. I refer to the pneumococcal vaccine, which the government introduced in January 2005, and also the National Varicella (Chickenpox) Vaccination Program, which is another important one for the protection of children. There is also the replacement of oral polio vaccine with an inactivated polio vaccine.

As well as that, in relation to women’s health, we, importantly, in November last
year introduced funding for the HPV vaccination program to commence this year. From April 2007, Gardasil will be funded under the National Immunisation Program on an ongoing basis for 12- to 13-year-old girls, delivered through schools. This government program will also fund a two-year catch-up program for 13- to 18-year-old girls in schools and for 18- to 26-year-old women, which will be delivered through general practice and community based programs.

The record speaks for itself. Vaccination is a proven health preventative measure. It is an outstanding flagship of this government’s health program. We have seen in relation to a disease such as measles—which has been accepted in bygone years as commonplace—the introduction of the seven-point plan, which we announced in 1997. This is a measles control campaign and we have seen the results in relation to that. It has been evaluated that an estimated 17,500 cases of measles were averted in Australia as a result of that campaign. That is an outstanding result for the Australian community. This is just another step in the Howard government’s National Immunisation Program—a very important program for the health of Australian children. I applaud all those concerned with the implementation of this program and look forward to its positive results.

Climate Change

Senator ALLISON (2.32 pm)—My question is to Senator Abetz, the Minister representing the Minister for the Environment and Water Resources. Sir Nicholas Stern stressed today at the National Press Club the need for global collaboration on climate change and the importance of developed countries ratifying Kyoto. He also said the failure to include the effects of greenhouse emissions on climate was ‘the greatest market failure the world has ever seen’. He said the cost of not addressing climate change by emissions trading, seriously funding research and development in renewable energy and addressing energy waste could be up to 20 times greater than the cost of fixing the problem. With Australia set to exceed our Kyoto target in 2012, isn’t your government engaging in very risky economics?

Senator ABETZ—That is a bit rich. I think most people would say that the economic management of this country over the past 10 years has been—

Senator Bob Brown—Has been appalling.

Senator ABETZ—Senator Brown interjects and says ‘appalling’. Not even the Labor Party would assert that. Not even the Labor Party would make such a silly interjection.

The PRESIDENT—Order, Minister! I would ask you to ignore the interjections and address your remarks to the chair.

Senator ABETZ—Mr President, I think you are quite right: the best treatment for Senator Brown is to ignore him; that is what he deserves. The economic management of this country has been second to none and I think that has generally been recognised.

In relation to the greenhouse situation, as I was able to indicate to Senator George Campbell in a previous answer, 10 years ago we got started on this with the establishment of the Australian Greenhouse Office. In more recent times, Sir Nicholas Stern also said: ‘So what we should be looking for is all countries getting involved and thinking through how we go’—listen to this—‘beyond Kyoto.’ The problem is the Democrats, the Greens and the Australian Labor Party are still stuck on Kyoto. The Sir Nicholas Sterns of this world, and everybody else who is genuinely engaged in this issue, are saying, ‘Get beyond Kyoto, we’ve got to move on.’ There were genuine problems now recognised by people like Sir Nicholas Stern,
because, if Kyoto were the answer, why would he want us to move beyond Kyoto? There would be no need to.

The reason we need to move beyond Kyoto is very simple—that is, it did not engage China, India and other major greenhouse emitters. Therefore, we as a government said quite honestly and quite appropriately, ‘There is no sense in us signing up to targets if that makes no difference’. However, and this is a very important issue, what galls me is that there are certain governments running around at the moment alleging somehow that they have some moral superiority because they have signed up to Kyoto whilst failing absolutely in meeting the targets to which they signed up. Whereas we, I believe, have a greater degree of moral superiority in this debate, given that we have not signed up to Kyoto but will be one of the handful of countries that will actually meet or go very close to meeting the Kyoto targets.

Opposition senators interjecting—

The PRESIDENT—Order! There is too much noise in the chamber!

Senator ABETZ—What I always say to the Australian people is: do not look at the posturing; do not look at the words; look at the actions. If there is one thing about the Howard government, it is that our actions have so often spoken louder than the mantra from those opposite.

Senator ALLISON—Mr President, I ask a supplementary question. I think the moral superiority the minister is talking about is a figment of his own imagination. Does the minister accept the economic modelling that shows that the introduction of a one per cent energy efficiency target would result in an almost 20 per cent reduction in wholesale electricity costs and that it is the lowest cost-effective greenhouse abatement measure? Why isn’t the government moving towards an immediate introduction of an energy efficient target? Why is the Prime Minister still talking today, as I understand it, about job losses when Stern shows that you can have growth and more jobs and still make major emissions cuts?

Senator ABETZ—In case Senator Allison did not hear all of my previous answer, I refer her to what Sir Nicholas Stern said in November last year: ‘What we should be looking for is all countries.’ And that is what Australia is working towards. Sure, we can do economic modelling using all sorts of means and come up with interesting figures. But at the end of the day—and I think the vast majority of Australians accept and understand this—unless every country is involved and engaged in this issue it may well be worthless. That is why we have to move beyond Kyoto—something that even Sir Nicholas Stern is willing to acknowledge. It is about time the Democrats, the Greens and the Labor Party came on board with that as well.

Senator Allison—Mr President, I raise a point of order. The minister is misrepresenting Sir Nicholas Stern. He did say that all countries need to be on board but he did not say that developing countries were in that category. He very definitely said that it was developed countries that should collaborate.

The PRESIDENT—There is no point of order. The minister has completed his answer.

Indigenous Communities

Senator JOYCE (2.39 pm)—My question is to the Minister for Community Services, Senator Scullion—and a good senator he is too—from the Northern Territory. Will the minister outline the Indigenous policy directions of the coalition government that are building stronger communities? Is the minister aware of any alternative policies?
Senator Chris Evans—I hope you are not going to politicise this, Senator.

Senator SCULLION—I thank the senator for the question and his longstanding interest in Indigenous affairs, particularly in his home state of Queensland. This government has a proud history of long-term policies for creating economic activity as well as policies that ensure the capacity for Indigenous individuals and communities to capitalise on the wonderful economic boom that the great management of the economy by this government has created. This policy has been widely embraced by Indigenous Australians, who share our belief that all Australians should get equitable access to the benefits of this economy. Whilst we respect cultural practices and we support the symbolic actions of other policies, our main focus has to be on practical measures. The symbolic gestures are no help to those people without jobs, adequate housing, adequate access to medical facilities and access to other opportunities.

It is such a pity that Labor fought the government at almost every turn on the implementation of these policies and the legislative changes that came behind them. However, I think credit should be given where credit is due. I noticed some comments from Jenny Macklin, the opposition spokesperson on Indigenous affairs, recently and I commend the Labor Party for the turn that appears to have occurred in their Indigenous policy. I say that with some confidence—the turn has come. They simply looked around and could not find their own policies so they have seized upon ours—practical reconciliation. I understand the depoliticising—

Senator Chris Evans—You don’t use that term any more. You are behind the times.

Senator SCULLION—When I stood up to answer this question the Leader of the Opposition interjected, ‘I hope you are not going to politicise it, Senator.’ I am certainly not doing so. The point I am making is that if you are going to move fundamentally towards our policies you cannot just leave out some important aspects of them because of some political notions.

Senator Chris Evans—Why not?

Senator SCULLION—Because bringing back the son of ATSC is not about the interests of Indigenous Australians. That is a fundamental point. There were a lot of aspects—

Senator Chris Evans—You want to hand pick-them!

The PRESIDENT—Order! Senator Scullion, I ask you to ignore the interjections and address the chair. Senator Evans, as I said to you earlier today on more than one occasion, shouting across the chamber is disorderly.

Senator Chris Evans—Mr President, I raise a point of order. I always accept your advice but when the minister starts shouting and pointing at me it does not seem unreasonable that I respond. I ask you to think about that when making future rulings.

The PRESIDENT—Senator Evans, I remind you, once again, and everybody else in this place, that shouting across the chamber is disorderly.

Senator SCULLION—This is a very important issue. I was really excited to see that the Labor Party were making a turn towards reality, that they had turned to the coalition for some support in this regard and taken our policy. We have no problem with that because it is the most sensible policy about the place. But it does seem to be extremely sad that, when we have—

Senator Crossin—We might actually want to consult with Indigenous people!
Senator SCULLION—Oh, it is Senator Crossin, the chair of the Senate select committee on ATSIC who—

The PRESIDENT—Order, Minister! Ignore the interjections and return to the question. Senator Crossin, come to order!

Senator SCULLION—confessed, when chairing that committee, that there was very little support for ATSIC. Obviously the policy does not go to asking their own people who may reflect upon those things. There have been some interjections—Mr President, I know you have asked me not to take the interjections from the Leader of the Opposition—about hand-selected people. Frankly, I think all Australians are sick and tired of those on the other side knocking the National Indigenous Council. They are doing an absolutely outstanding job. They are fantastic Indigenous leaders and they are providing this government with excellent advice. It is that advice that we can count on continually to ensure that our policies reflect the wishes of Indigenous Australians.

Senator JOYCE—Mr President, I ask a supplementary question. With regard to the symbolic gestures that you were referring to, Minister, can you outline how the policies that you are providing are going to provide a better outcome?

Senator SCULLION—I thank the senator for the supplementary. The philosophy that, for some reason or other, we need to have some differential in the politics of looking after Indigenous Australians I think is a pretty cynical approach. The symbolism of saying, ‘Let’s have another Indigenous body that somehow is representative of Indigenous Australians; let’s build another ATSIC,’ simply to have some sort of cynical differential for some political purpose is not having the interests of the Indigenous Australians at heart. I call on the other side simply to completely embrace the policies of this government and get on with the job of representing the best interests of Indigenous Australia.

Workplace Relations

Senator CAROL BROWN (2.45 pm)—My question is to the Minister representing the Minister for Employment and Workplace Relations. Is the minister aware of Minister Hockey’s claim: The evidence now clearly illustrates that small business has embraced our Work Choices changes.

Minister, didn’t a recent survey in relation to the Work Choices legislation by Drake International of 300 companies reveal that 39 per cent of employers were unaware of their legal obligations about record keeping, 57 per cent believed the record-keeping requirements would negatively affect their business, 62 per cent said it would adversely affect their staff morale, 55 per cent believed it would negatively affect company culture and 52 per cent said it would have a possible impact on workplace productivity? Minister, why is your government so keen to avoid the facts about Work Choices?

Senator ABETZ—Can I inform the Government Whip to take the next dorothy dixer to me off the questions list! There is no doubt that one of the great features of Work Choices has been what it has done for small business in this community. If we want to look at surveys, the greatest survey of all is the employment survey: 263,000 of our fellow Australians are now in employment since Work Choices. For youth unemployment since Work Choices has come in: a 0.8 per cent decrease. For the very long term unemployed what does the survey show? A 25 per cent decrease. And so the statistics go on and on, showing the great benefits to our fellow Australians who previously had been left on the social scrap heap of unemployment—something which those opposite ex-
celled in when they had over one million of our fellow Australians on that scrap heap.

When we came to government we said we would devote ourselves to reducing the unemployment rate. We have taken strong, tough decisions, sometimes in the short term unpopular; but in the long term they have delivered social justice. The greatest social justice initiative that any government can provide is a job to its citizens.

Opposition senators interjecting—

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

Senator ABETZ—The number of small businesses in Australia was 1.88 million in June 2006, which is an increase from the June 2003 figure of 1.79 million. So what we are seeing is the growth of small business. Why is small business growing? Is it because of all the negative impacts of the Howard government? Can I suggest to those opposite: no, it is because we have gone about creating an environment where small business can prosper. What is more, it is prospering; and, what is more, when small businesses prosper they generate jobs.

On the statistics to which the honourable senator refers, I do not know where she got them from but I am always wary of how the Labor Party gets statistics and seeks to interpret them. In recent times I was provided with a survey of 7,426 employers taken nationally by Hudsons and if I were to pick one figure out I could say that, out of that survey, 5.8 per cent of businesses expect to reduce their workforce. Well, that is a sad thing, isn’t it? But that is only a very infinitesimal amount of the picture. The other part of the picture is that 40 per cent of businesses expect to add to their headcount in April-June 2007. So what you can do is selectively cite certain statistics to try to skew it one way or the other way. What I invite the Australian people to do is simply look at the Australian Bureau of Statistics surveys which show 263,700 of our fellow Australians are now in employment as a result of the policies that we have taken—no thanks to those opposite.

Senator CAROL BROWN—Mr President, I ask a supplementary question. Doesn’t the Drake International survey dispel the Howard government’s claims to be a friend of small business? Isn’t your defence of Work Choices more about spin rather than facts?

Senator ABETZ—The survey may well have been undertaken by Drake, but can I suggest to the Labor Party they ought be ducking for cover because when the actual facts come out they will be left without a feather to fly. There are 263,700 Australians who know that the sort of spin that the Labor Party are trying to put on Work Choices just does not wash.

Petrol Sniffing

Senator SIEWERT (2.50 pm)—My question is to Senator Ellison, the Minister representing the Minister for Health and Ageing. It relates to the provision of infrastructure to support youth diversionary programs to combat petrol sniffing. Can the minister inform the Senate whether the government has allocated or plans to allocate resources for youth programs and infrastructure for those communities in the northern part of the central region who have recently become part of the rollout of Opal fuel?

Senator ELLISON—As I recall this program, we initiated that in Alice Springs and there was a plan to roll that out further in relation to Aboriginal communities. The extent of the Opal fuel initiative is one that I will check on and get back to Senator Siewert. It is something that we are concentrating on because it is very important in relation to Indigenous health and the prevention of substance abuse.
I think there was a report recently which dealt with the prevalence of petrol sniffing and substance abuse on the APY lands, which may be what Senator Siewert is referring to. Opal unleaded fuel is applied to 16 communities in these lands and has played an important role in reducing petrol sniffing in the region. A recent health survey shows more than a 80 per cent reduction in the prevalence of petrol sniffing across the APY lands since the last survey in October 2004. That is certainly a positive indication but not something that we take as being the final answer. There is still work to be done in relation to this issue. The survey highlights the fact that only a few school-age children have been experimenting with petrol sniffing since October 2005. That is a positive indication because it demonstrates a lack of uptake—that is, new entrants, if you like—into the cohort of young people who are petrol sniffing.

Certainly the government is committed to a long-term approach to addressing petrol sniffing. A total of $91.2 million has been provided over five years to tackle this very issue and $42.7 million of this funding will be used to support the continued rollout of Opal fuel. Already 69 remote Indigenous communities across Australia are using Opal fuel and 24 roadhouses and other participants are supplying Opal fuel, which is of course a very important aspect when you consider the geographic locations of these outlets. If there is anything further I can add to that I will advise the Senate accordingly.

Senator SIEWERT—Mr President, I ask a supplementary question. I thank the minister for his answer. I am particularly interested in the regions where the Opal rollout has been recently expanded and the infrastructure there. I would like to follow up by asking a question about the current situation in Alice Springs both in terms of the easy availability of premium fuel and in terms of what diversionary programs are being made available within the town and the town camps. Is the minister aware that Aboriginal youth are still buying premium unleaded fuel directly from some petrol stations in Alice Springs? What is the minister doing to ensure that there are some stringent provisions in place for the purchase of premium unleaded and that service stations are accountable for inappropriate sales of premium?

Senator ELLISON—In relation to that second part of the question, premium unleaded fuel and diesel will still be available in Alice Springs. We have asked fuel companies to take steps to secure premium to ensure that it is not misused and certainly the government would encourage all Alice Springs residents to support the rollout of Opal fuel and to recognise that it is safe for vehicles that were designed to be driven on regular unleaded fuel. In relation to the expansion of the program, I understand that the new region in the East Kimberley and the expanded Central Desert region will also get access to the various components announced in the 2006-07 budget measure, which involved just in excess of $55 million.

Child Care

Senator POLLEY (2.55 pm)—My question is to Senator Scullion, Minister for Community Services. Is the minister aware that analysis by ANZ chief economist Saul Eslake has shown that the cost of child care has risen by 58.6 per cent since July 2000? Hasn’t the rapidly rising cost of child care outstripped health and education costs over that period? Didn’t Mr Eslake conclude that the average family’s ability to afford child care has ‘decreased substantially’ in the last five years? Don’t these findings reflect the fact that 28 per cent of carers are likely to leave the workforce in the future in order to reduce childcare costs? Don’t these findings
show that under the Howard government childcare costs are an increasing financial pressure on families?

Senator SCULLION—I thank the senator for the question. As I have said in this place at another time, I think there is just one very important fact with regard to both the cost and the availability of child care. Child care has never been more affordable or available. It has been more affordable and available under this government than it ever was under Labor. That is an important overriding point.

Opposition senators interjecting—

The PRESIDENT—Order!

Senator SCULLION—In terms of the cost of child care, it is well known that we have spent over $10 billion on child care. In fact we spent $10.1 billion on child care in the first six years of our term. In the last six years of the Labor term, they only spent $3.9 billion. We have doubled it in real terms, so any implication that this government is not concerned about the cost of child care is absolute rubbish.

In terms of the statistics that are sneaking around the place, particularly with regard to the very vague connection between industrial relations and the provision of child care and accessing the workplace, it is very important to note that the ABS figures that came out as recently as yesterday found that 31 per cent of women named caring for children as their main reason for not actively looking for work. I saw a whole range of media headlines—for example, ‘Child care still parent job hurdle’—but those parents have chosen to stay home and look after their children.

Senator Brandis—It’s about choice.

Senator SCULLION—As my colleague Senator Brandis rightly points out, that is a choice. We are about choice. This is a government that fundamentally believes in choice for the family. That is the reason we deliver the childcare benefit and the childcare rebate. We deliver that to the families so they can take advantage of the very best areas with regard to the spatial areas where they live and the type of child care they want. That is why we have tailored our child care to ensure that the family makes the choice. It is, after all, all about choice.

Senator Wong—There’s a 58 per cent increase!

The PRESIDENT—Order, Senator Wong!

Senator SCULLION—As for availability of child care, the Labor Party have the option of starting 600 new lists of child care. I do not know how that is supposed to make it easier. I can recall in this place, and I would remind them, that this government has a very simple policy. We have a hotline number and the number is: 1800 670305. I commend it to the Australian people and to those on the other side, because instantaneously you can actually get on the phone and find out what child care is available in this area.

Senator Chris Evans—What’s the terrorist hotline number?

Opposition senators interjecting—

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

Senator SCULLION—Those interjections relating to what the terrorist hotline number is really throw some light on those people on the other side and on their interest in child care. It is a very important issue. That is why we have ensured convenience through our hotline number. We have provided choice and flexibility. Now what we have done is said, ‘We’re going to ensure that we have a process that makes it easy for parents to actually select what child care they want in the particular area that they wish.’
Senator POLLEY—Mr President, I ask a supplementary question. I would have to say that, in the short time that I have been in the Senate, that is the clearest indication of a minister being so out of touch and arrogant that I have had to date. Is the minister aware that over the last 10 years, going back to 1996-97, the cost of child care has almost doubled, rising 99 per cent? How does the minister expect average families to cope when the cost of essential services doubles every 10 years? Isn’t it a fact that the Howard government has failed to ensure families can access affordable child care?

Senator SCULLION—I thank the senator for her supplementary question.

Senator Polley—Try answering it this time.

The PRESIDENT—Order! Senator Polley, you have asked your supplementary question.

Senator Forshaw—Mr President, I rise on a point of order. I draw to your attention that Senator Boswell is interjecting while out of his seat.

The PRESIDENT—If Senator Boswell is interjecting I would ask him to resume his place.

Senator SCULLION—The supplementary went straight to the alternative policies and the policies of this government and looked historically back to 1996 and talked about facts. I would like to put on the record a single fact. In just eight years under Labor, real fees increased by 47 per cent or $60.75. In 10 years under the coalition real fees increased by 22 per cent or $41.89. If you want to talk about child care, stick to the coalition’s policies.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Aged Care

Senator ELLISON (Western Australia—Minister for Human Services) (3.02 pm)—Yesterday Senator McLucas asked me a number of questions about aged-care places. I undertook to provide to the Senate any further detail that I could. I can report the Minister for Ageing tabled a report in the House of Representatives yesterday which exonerates the former Minister for Ageing, Senator Santo Santoro, of any wrongdoing. Furthermore, Varsity Aged Care’s application was assessed with all applications in the 2006 aged-care approvals round. The allocation of aged-care places to Varsity Aged Care was not made until the department undertook all necessary checks including those necessary to approve its application to be an approved provider of aged care. This has recently been completed. The decisions to grant approved provider status to Varsity Aged Care and to allocate it places were made by the Department of Health and Ageing.

Varsity Aged Care is a separate legal entity to the McKenzie Aged Care Group, the approved provider who operates Armitage Manor. The department was aware, when it took its decision to grant approved provider status and allocate places to Varsity, that there are key personnel in common with another provider, the McKenzie Aged Care Group. The McKenzie Aged Care Group operates the manor. The department took into account all relevant facts, in accordance with the legislative requirements of the Aged Care Act 1997, in making its decisions, including the compliance history of the McKenzie Aged Care Group. The department noted that past problems in relation to Armitage Manor have been successfully resolved and the home currently has three-year accreditation.
QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Climate Change

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

That the Senate take note of the answers given by Senators Abetz and Minchin to questions without notice asked today, relating to climate change.

Every week we hear something a little more arrogant and a little more sanctimonious from the Howard government on climate change. How fascinating it was today to see Senator Abetz and Senator Minchin effectively throw up their hands and say, ‘Well, what do you want us to do—shut down the whole economy?’ This shows that this government has no idea of the seriousness of this issue and it is choosing to make that kind of ridiculous and, I think, quite immature statement about the economic and social challenge ahead of us on climate change.

What we now know, and this was reinforced today by Sir Nicholas Stern’s speech at the National Press Club, is that there is a chronic market failure. We know that climate change will cost the global economy—according to Sir Nicholas Stern, more than both world wars and the Great Depression combined. Unless, he says, the world acts to reduce carbon emissions, the global economy could be cut by up to 20 per cent. Therefore, the reasonable conclusion is that early action on climate change is critical to protecting our future prosperity.

But we have none of that from the Howard government, despite the auspicious source of these statements being today at the National Press Club in Canberra, the national capital of Australia. They persist in making excuses saying what they are doing is enough. Well, it is not enough. We know that the Howard government is full of climate sceptics and that they are busy trying to talk their way through growing community pressure and growing political pressure, certainly from the Labor Party and others here in the federal parliament but also from right around the world, to take decisive action.

Labor are conducting a national climate change summit this Saturday, coinciding with Earth Day, because we are focused on the sorts of solutions and consensus that we need to try to find amongst the stakeholders in the Australian economy and community. That will bring together scientists, business leaders, union leaders, community stakeholders and of course the Labor Party to hear what they have to say about the urgent necessity to address climate change in Australia. That is on top of Labor’s commitment to ratify the Kyoto protocol and other initiatives that I will go through shortly.

Firstly, I want to make a point about ratifying the Kyoto protocol. Many people have now seen the movie An Inconvenient Truth and it grates so appallingly on many of those people when the US and Australia are identified as the only two countries holding out on ratifying the Kyoto protocol. It is clearly there as a symbol of not only the Howard government’s neglect of climate change but their subservience to the administration of George W Bush in America and his anti-climate change stance that this government is happy to mimic, to be a puppet to, at the expense of all of us, not least the climate change refugees whom we may well have on our own doorstep with the islands in the Torres Strait predicted to be affected by global warming through rising sea levels. So it is an issue that is very close to home, one that is so in a very tangible and practical way for those people.

Today Labor announced another policy to add to our growing suite of very specific policies to tackle climate change. Labor’s leader, Mr Rudd, and our environment
spokesperson, Mr Garrett, announced a plan to provide $50 million to help subsidise the installation of solar power in homes and community buildings around the country. This will reduce greenhouse gas emissions by up to 16,800 tonnes a year, the equivalent of taking 4,000 cars off the road for a full year. This is another policy, joining our policies on green cars and clean coal, that a Labor government will put in place if elected.

Another critical issue is that we will substantially increase the mandatory renewable energy target and set up a national emissions trading scheme, with the overall goal of cutting Australia’s greenhouse gas emissions by 60 per cent by 2050. All of these things stand in stark contrast with a lazy, sceptical government that is incapable of, and unwilling to, take climate change seriously.

Senator IAN CAMPBELL—Yes, that is four words, Senator Kemp. For 11 years they have been saying the four words ‘national emissions trading scheme’, but they are no closer to telling us what it is.

We know that if you have a trading scheme you will have a price on carbon. The last time we heard from the Labor Party about a price on carbon was when they were in power. The then environment minister, Senator John Faulkner, now sits, a lonely figure, on the back bench with the coffee plunger he inherited from Cheryl Kernot and the scars he inherited from his flirtation with Mark Latham. The only thing he has left in terms of his failed policies, let alone his failed allegiances with Kernot and Latham, is his carbon tax. He came into this place just over 11 years ago—he sat where Senator Abetz now sits—and proposed a carbon tax. Of course, the political flak flew within hours of him proposing a carbon tax. He had come back from a climate change conference in Bonn. He had decided that a carbon tax was the answer. He had come back from Bonn all brave—having sat in the first-class section of an aeroplane—and said: ‘Let’s have a carbon tax for Australia. We’ll lead the world.’ Of course, greater minds and greater political thinkers than Senator Faulkner—and there are a lot of those around the place—said, ‘You’d better go quiet on the carbon price.’

You at least have to give credit where it is due. Senator Faulkner had the guts to say, ‘We need a carbon tax and a carbon price.’ But that was the last time Labor said anything specific. Ever since then, for 11 long years in opposition—not long enough, I
say—they have been talking about a national emissions trading scheme. The closest we got to that came not from the lazy sods opposite who call themselves an opposition but from Roger Wilkins, the former head of the Cabinet Office in New South Wales under the Labor government of Mr Carr. To his credit, Roger Wilkins worked away with his state comrades for a number of months and they came up with a design for a national emissions trading scheme. Labor have not signed on to it federally; they have not done any work like this.

Roger Wilkins got the states together and they launched this scheme. You will recall, Mr Deputy President, that the Premier of Queensland, your home state, said: ‘We’re not going to be part of Roger Wilkins’s New South Wales policy. We’re out.’ They were out by, I think, lunchtime. Then Alan Carpenter figured that it would be very bad for Western Australia because it would kill jobs in WA—just as Mr Beattie had figured that it was going to kill jobs in Queensland—and he pulled out. So, at the state level, the best the Labor Party has been able to come up with in terms of a trading scheme is a document that the two big resource-rich states pulled out of within 12 hours. We are yet to see Mr Rudd come up with a policy. What is the best thing he can offer the Australian people after 11 years of lazy opposition? What are they going to do this weekend? ‘Let’s have a summit. Let’s have a meeting.’ Talk about lazy!

I would just like to correct the record in relation to the US not ratifying the Kyoto protocol. There was a vote by the United States Senate on what was called the Byrd-Hagel amendment. It was a vote on Mr Gore’s proposal to ratify the Kyoto protocol, and it went down 95 votes to nil. Do you know who were the great President Bush supporters who voted against ratifying the Kyoto protocol? Senator Edward Kennedy, Senator Joe Lieberman, Senator John Kerry—all those people. It was not some sort of Bush conspiracy. The Democratic Party of the United States knew that signing the Kyoto protocol would be bad for the jobs of United States citizens, just as our government recognised it would be bad for our citizens. (Time expired)

Senator WORTLEY (South Australia) (3.13 pm)—I also rise to take note of the answers provided by Senator Abetz and Senator Minchin on the issue of climate change. Climate change is a serious issue with serious consequences. It is only now that we are in an election year that the issue has made the gigantic leap from being way off the government’s action radar for nearly 11 years to being on the government’s election agenda—an agenda that places greater importance on removing the working conditions and job security of thousands of hardworking Australians, with Work Choices, than on addressing climate change and our national water crisis.

The Howard government cannot be trusted on the environment. It has wasted a decade denying the existence of climate change. The government has failed to adequately address environmental challenges. It has failed to deliver a real action plan policy addressing climate change. It has failed to deliver to the Australian people on the environment for our children and for future generations. Labor has a policy of ratifying Kyoto; the government does not. Labor has a policy to reduce greenhouse gas emissions by 60 per cent by 2050; the government does not. Labor has a half-a-billion-dollar national clean coal initiative; the government does not. Labor has a $500 million green car innovation fund; the government does not.

Today, federal Labor announced that a Rudd Labor government would encourage the installation of solar panels across Austra-
lia to slash greenhouse gas emissions. Federal Labor’s solar home power plan will invest $50 million over four years to install solar power in our homes, schools and community buildings. This will provide up to $4,000 a household—about 25 per cent of the cost of a typical domestic solar power system as a rebate available to homeowners.

The Howard government has had numerous opportunities to pass legislation to deal with the effect of climate change on our environment, but it has refused to do so. Why shouldn’t the people of Australia be cynical? As recently as November last year, we witnessed this government rushing legislation through in the form of the Environment and Heritage Legislation Amendment Bill—another lost opportunity to improve on existing legislation and address the very real challenges we are facing in Australia and around the world. Not only did the government fail to take up the opportunity to improve on the legislation but, through the changes, it effectively weakened existing legislation. It weakened the protection that the Environment Protection and Biodiversity Conservation Act 1999 provided for Australia’s biodiversity and heritage.

That is why the people of Australia will not take this government seriously when it comes to the environment. We have seen nearly 11 years of inaction by the Howard government in the face of Australia’s greatest challenge. The government cannot be excused; it cannot be forgiven and it cannot be trusted with the environment. The Australian people have a right to climate change policies that will be effective, that will give our children and generations following a real future. Australian business and farmers cannot afford indecision and scepticism; they are already hurting. This government has failed to adequately address environmental challenges. It has failed to deliver. In the face of overwhelming evidence that warming temperatures and associated changes in rainfall and sea levels will have consequences for both the world’s environment and economy, they have been sceptical—and it appears from comments made by those opposite that some are still in denial.

Inaction on and denial of climate change and our water crisis have already resulted in Australian business facing billions of dollars in lost opportunities, and Australian businesses and jobs being forced offshore. It has resulted in Australia’s electricity generators being reluctant to invest in clean coal technology while the government refuses to commit to a carbon trading scheme. It has resulted in Australia’s wind industry being left with $13 billion worth of projects stalled on their books, while at the same time the global wind industry has experienced another record year of expansion.

The Howard government lacks good policy and strong leadership. It is out of touch when it comes to protecting the planet for future generations. Federal Labor believe that climate change is one of our greatest threats and is determined to tackle it. (Time expired)

Senator KEMP (Victoria) (3.19 pm)—If climate change is our greatest problem, as Senator Wortley concluded in her remarks, why is the Labor Party policy so completely vacuous? It is astonishing. I listened as Senator Wortley remarked on the Labor Party’s policy. We note that after 11 years, in order to develop your policy, you have to have a summit. When in doubt, have a summit—that is exactly what happens with the Labor Party. After 11 years, it has no idea what to do.

For Senator Wortley and Senator Lundy to lecture the government on policy in here today is quite astonishing. It was a very weak effort. I noticed that this time Senator Wortley steered clear of the coal industry.
because the Labor Party is so divided over that particular issue. Many workers are employed in the coal industry and they are very anxious to hear what the Labor Party policy is in relation to their industry. Yes, you have a clean coal policy, but it is our policy that you have grabbed. We have been talking about clean coal now for years and, suddenly, the Labor Party has decided it has a clean coal policy. There was an announcement today by Mr Rudd about solar power which is merely a continuation of the policy that we have in place. Talk about trying to create light and sparks! The truth of the matter is that the Labor Party policy is extraordinarily vacuous and has huge holes in it that need to be filled.

Senator Wortley talked about the policy to cut greenhouse emissions by some 60 per cent by 2050—and I would be very interested to hear what Senator Hurley, who is in the chamber, has to say on this, if she is to make a speech. It will be interesting to find out how that target will be reached and what the implications are for major sectors of the Australian economy. Of course, we will have a debate on that. An astonishing feature of your policy is this, Senator Wortley: would we be cutting that without any international agreement at all? Australia supplies about 1.5 per cent, from memory, of world greenhouse gas emissions. Your policy apparently proposes a major cut in these emissions without requiring any matching cuts from other countries. Senator Hurley may be able to explain to us precisely what that means. Would this be a unilateral cut? If so, Senator Hurley, a lot of people in this country would be very upset. It may be part of a multilateral agreement—and we are all for that. However, if that multilateral agreement did not come off, where would that leave your current policy position?

So there is really quite a range of questions which now have to be answered. There are questions from the coal industry about Labor Party policy and whether Mr Garrett in the end will win the day and close down the coal sector. A lot of the government’s supporters are very keen to hear that, of course.

The other thing that I would say is that we are having a debate in this chamber on an extremely important issue, so where are the Greens? Where is Bob Brown? Where is Senator Milne? I must say, you wonder where on earth the Greens are, when they have been trumpeting this issue in this chamber. Here we are having a serious debate on the issue and they are missing in action.

I thought Senator Ian Campbell made a really excellent speech, with excellent remarks, and showed what a quality minister he was. He was able to add some depth and context in his responses to some of the claims that were made by the Labor Party which were, I have to say, unanswered by Senator Wortley. We listened carefully to see whether the remarks that Senator Campbell made on emissions trading would be answered by Senator Wortley, but of course they were not. So what we have is a policy that is vacuous. After 11 years, no real leadership has been given by the Labor Party on this issue. I am afraid that, unless Senator Hurley can win the day, the Labor Party is far behind on a very important issue. (Time expired)

Senator Hurley (South Australia) (3.24 pm)—I rise too to note the answers that Senator Minchin gave on climate change and also the responses of Senator Ian Campbell and Senator Kemp. They were marked by sarcasm, mockery and an attack on the Labor Party, but there was very little attempt to deal with the actual issues. That is, of course, because the Liberal government have made very little attempt to deal with the issues.
They talk about not having targets and not signing Kyoto and say that it will not make any difference. They talk about not having unilateral targets for greenhouse gas emissions and yet they will not participate in the only multilateral forum that is around: Kyoto. They have refused to participate in the one multilateral forum they have. They talk about some other multilateral forum, hoping that it will never eventuate.

The government’s approach is to just hope that it will all go away and they will not have to deal with it in the end. This is in a situation in the Australian economy where more and more businesses—large businesses, medium businesses—are calling for some pricing signals on carbon emissions from the government, and the government have been studiously refusing to deal with this. The end result is that the states have tried to deal with it on their own in a unilateral fashion.

I am very pleased that the South Australian government has been one of the states that have attempted to deal with greenhouse gas emissions by themselves. Senator Ian Campbell made fun of them. He said that they were not successful, that it was too difficult for them, and yet he did not address the central issue, which is the fact that they are trying to deal with emissions themselves because the federal government—the national government, which is the natural government that should be dealing with these kinds of national issues—is missing in action. That is precisely why the state governments have attempted to deal with emissions by themselves. The Howard government is getting increasingly arrogant, increasingly not consultative and increasingly combative with those states in an attempt to salvage its government record and deal with the possibility that it might not win the next election. It is not dealing with the critical issue that we need to deal with. The government lacks the will or the ability to deliver national action on this very important issue.

In the short time that I have left to me, I want to deal with Labor’s response. The Labor opposition is having a climate change summit and is attempting to get policy together on this very critical issue. The government has talked about its Greenhouse Office. The opposition unfortunately does not have access to the kind of money and expertise which a decent greenhouse office might have involved, but it is trying to gather together experts to listen to them on how it will proceed. I have my own views on how to proceed and, indeed, how it might dovetail with another of the key Labor Party platforms, and that is education and the extension of its education focus: research and development. The Labor opposition has the political will to achieve that.

Given that there has been such inaction over a decade and that we are behind in addressing this issue, the question becomes: how will we then achieve it? I think that the neglect of education and research and development by the current government has put us well behind on ways to proceed once we have acknowledged the problem, which the current government has failed to do. I believe that not enough of the proceeds of the resources boom have been invested in research, in innovation and in skills development, because, even if we find a way forward through research and technology, we still need the skills in this country to put it into action. Skills are one of the things which, thanks to government neglect, we are very short of. This is one of the key issues that we will have to address once we have decided to deal with the problem. This whole approach is one—(Time expired)

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.29 pm)—I also rise to take note of the answers given by
Senators Abetz and Minchin to questions relating to climate change. The answers provided by Senator Abetz to my question, and to those questions put by the ALP today, were consistent. Senator Abetz trots out the tired old answers to this question, saying that we have to look beyond Kyoto, that Kyoto has been a failure, that we need to move on, that we are going to meet our targets anyway but we have to move on. He talks about the emissions trading system in the EU as being a total failure. I understand the Prime Minister also answered questions and said, ‘This is all about job losses; we’re not going to move on anything which would economically damage the community,’ and so on.

The whole point of Sir Nicholas Stern’s message to us today at the National Press Club, and I understand he is meeting with the Prime Minister today as well, is that if we do not take urgent action—not just a bit here or there, a few grants handed out for clean coal, a bit of this and that, a renewable energy target that is less than 0.5 per cent of the total by 2010—if we do not do more than we have done, if we do not make deep structural changes to the way we do business, then we are not going to deliver on the massive cuts that are required. And, moreover, we can do this. We can have massive cuts in greenhouse emissions and still have jobs growth and economic growth, live the lifestyle that we enjoy and have a thriving economy. That is the message that the government seems not to be hearing.

So we have moved away from what might have been called a precautionary principle approach, where the conservationists were on one side and industry was on the other, and they were arguing about this. That has finished now. What we have is economic modelling that shows that if we do not do anything our economy is going to suffer. So this is now a question of how risky this government is being by not addressing climate change.

Of course we had the same old arguments too about Australia generating just over one per cent of global greenhouse emissions—again, a furphy. We are actually the 10th largest emitter—and I am not talking per capita; we all know we are the highest there. The overall emissions from this country are the 10th highest in the world. That is just behind Britain, which has three times our population; 60 million people live in Britain, and their emissions are only just higher than ours.

So the message from Sir Nicholas Stern was: all developed countries need to collaborate, need to be part of this effort, need to sign up to Kyoto. It is an embarrassment that we have not done that. It is late in the piece, but it is not too late. That is my message to the Prime Minister. And I know that is going to be the message that Sir Nicholas Stern will be giving to the Prime Minister himself today.

It is critically important that no countries duck out of this. That is what Australia has done: we have ducked out of Kyoto. We were there for many years, while Senator Hill was our environment minister, but since that time we have found reasons to undermine Kyoto and to step back from it, claiming it is ineffectual. Well, it is not ineffectual; in fact, it is very effectual. The fact that the government thinks it is important to largely stick with the Kyoto commitments indicates that, to my mind. But of course, we are not going to stick with them. By 2012 we will have overshot our Kyoto commitments by about six million tonnes. We never hear about that from Senator Abetz. We keep hearing about how it is a finished process, that it is out the window and we have to look for something else.
Yes, let us look for something else. Let us go beyond 2012. Let us have some targets. Let us have some targets for 2020. And let us make sure that they include the very easy to do targets. For instance, we should be looking for a one per cent energy efficiency target. Let us stop wasting energy. If we can avoid doing that, we can avoid putting in new coal-fired power stations. We would also manage—and I have said this many times in this place—to reduce wholesale electricity costs by 20 per cent. And I point out again that this is the lowest cost-effective greenhouse gas abatement measure that can be undertaken. But we never hear that from Senator Abetz. (Time expired)

Question agreed to.

PERSONAL EXPLANATIONS

Senator FORSHAW (New South Wales) (3.34 pm)—I seek leave to make a brief personal explanation as I claim to have been misrepresented.

Leave granted.

Senator FORSHAW—Last night during the adjournment debate, Senator Ronaldson stated in his speech—and I quote from the Hansard:

I enjoy Senator Forshaw’s company, but he was almost apologising tonight for his trade union roots.

Senator McLucas interjected:

No, he wasn’t!

Senator Ronaldson then stated:

I was listening intently to him, and he was apologising for his trade union roots and saying—and these words then appear as a direct quote:

‘We should not be bringing to the attention of the Australian people the fact that the ALP within 12 months will be totally dominated by the former ACTU leadership.’

At no stage did I utter the words that Senator Ronaldson claims I did. At no stage did I apologise for my trade union roots—indeed, in my speech I stated that we on this side of the chamber are proud of them.

PETITIONS

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

Radioactive Waste

To the Honourable President and Members of the Senate assembled in Parliament.

The petition of the undersigned shows:

That we, Aboriginal Traditional Owners of Muckaty located in the Northern Territory of Australia:

(1) Do not wish our land to be used to store radioactive waste;

(2) Do not consent to the Northern Land Council nominating Muckaty for the storage of radioactive waste.

Your petitioners ask/request that the Senate:

Call on the relevant Ministers to take no actions that would result in a Commonwealth radioactive waste facility being built on Muckaty in the Northern Territory.

by Senator Crossin (from 11 citizens)

Petition received.

NOTICES

Presentation

Senator Eggleston to move on the next day of sitting:

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts Committee on Australia’s national parks be extended to 12 April 2007.

Senator Watson to move on the next day of sitting:

That the Senate:

(a) notes that the week beginning 25 March 2007 marks 50 years of European integration with the 50th anniversary of the Treaty of Rome; and

(b) acknowledges that through European integration, the Treaty of Rome has led to
peace, stability and prosperity within Europe and paved the way for the establishment of the European Union.

**Senator Murray** to move on the next day of sitting:

That the Senate, noting that private equity will often include investment by funds holding the superannuation savings or investment monies of millions of Australians, and because of the actual and potential scale of private equity market activity, refers the following matters to the Economics Committee for inquiry and report by 20 June 2007:

(a) an assessment of domestic and international trends concerning private equity and its effects on capital markets;
(b) an assessment of whether private equity could become a matter of concern to the Australian economy if ownership, debt/equity and risk profiles of Australian business are significantly altered;
(c) an assessment of long-term government revenue effects, arising from consequences to income tax and capital gains tax, or from any other effects;
(d) an assessment of whether appropriate regulation or laws already apply to private equity acquisitions when the national economic or strategic interest is at stake and, if not, what those should be; and
(e) an assessment of the appropriate regulatory or legislative response required to this market phenomenon, if any.

**Senator Bartlett** to move on 10 May 2007:

That the Senate:

(a) notes that:
   (i) 27 May 2007 marks the 40th anniversary of the referendum giving the Federal Government the power to make laws for the benefit of Aboriginal and Torres Strait Islander people and to count them in the census, and
   (ii) the referendum was passed with an unprecedented level of support from more than 90 per cent of Australians, and is a great example of Indigenous and non-Indigenous people working together in support of equal rights for Indigenous people;
   (b) recognises the continuing need for the legislative and other powers of the Commonwealth to be used to redress the profound economic and social disadvantage continuing to be experienced by many Indigenous Australians;
   (c) acknowledges that efforts of successive governments and parliaments since 1967 have not been successful in eliminating the disadvantages experienced by many Indigenous Australians or in ensuring they have the same opportunities as other Australians;
   (d) notes, in particular, the facts that Indigenous Australians:
      (i) still have an average life expectancy that is 17 years less than that of their non-Indigenous counterparts,
      (ii) represent only 2 per cent of the Australian population but represent more than 14 per cent of people in Australian prisons and even more of those taken into police custody, and
      (iii) experience an unemployment rate approximately three times that of non-Indigenous Australians and enjoy an average income only two-thirds the national average;
   (e) notes that a truly representative structure, established in consultation with Aboriginal and Torres Strait Islander people which will ensure they have a voice in all decisions which affect their communities Indigenous representation is sadly lacking and that there is still no national structure;
   (f) commits to giving greater priority to addressing the needs of Indigenous Australians and to paying greater heed to the diverse views, abilities and achievements of Indigenous Australians from all parts of our nation;
   (g) recognises that Australia will not reach its full potential as a nation until there is full
respect for Aboriginal and Torres Strait Islander people and their unique, valuable and continuing heritage of this land; and
(h) encourages all Australians and all political parties to revive and rebuild the cooperative spirit of the 1967 referendum to complete the unfinished business of ensuring true equality of opportunity for all Australians.

Senator Bob Brown to move on 10 May 2007:
That:
(a) Amendment 56 (The Griffin Legacy – Principles and Policies);
(b) Amendment 59 (City Hill Precinct);
(c) Amendment 60 (Constitution Avenue); and
(d) Amendment 61 (West Basin)
Fifteen sitting days remain, including today, to resolve the motion or the instrument will be deemed to have been disallowed.

Senator Nettle to move on the next day of sitting:
That the Senate:
(a) notes that the guilt or innocence of Mr David Hicks cannot be definitively assessed as he has not faced a fair and proper legal process; and
(b) calls on the Government to expedite his return to Australia.

Senator Allison to move on the next day of sitting:
That the Senate:
(a) condemns the failure of Tasmania’s Minister for Tourism, Arts and the Environment, Ms Paula Wriedt, to respond reasonably and adequately to the environmental crisis caused by the explosion in the number of rats and rabbits on the World Heritage-listed Macquarie Island; and
(b) calls on the Tasmanian Government to accept its responsibilities for reversing the extraordinary damage to the island’s native plant life and threat to its wildlife by:
(i) immediately matching the Federal Government’s offer to pay half of the $24.6 million required for a rescue plan,
(ii) rejecting Ms Wriedt’s contention that World Heritage areas are ‘locked up’ and a ‘cost burden’, and
(iii) having the Tasmanian Premier, Mr Paul Lennon, intervene, if necessary, to ensure adequate action is taken before winter closes important options.

Postponement
The following items of business were postponed:
General business notice of motion no. 747 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, proposing the introduction of the Lobbying and Ministerial Accountability Bill 2007, postponed till 29 March 2007.

(White Certificate Trading) and Productivity Bill 2007.

Senator Allison (Victoria—Leader of the Australian Democrats) (3.36 pm)—I, and also on behalf of Senator Stott Despoja, give notice that, on the next day of sitting, I shall move:
That the following bill be introduced: A Bill for an Act to provide for the repatriation of Australian citizens held in detention overseas, and for related purposes. Repatriation of Citizens Bill 2007.

Senator Bob Brown to move on the next day of sitting:
That the Senate:
(a) condemns the failure of Tasmania’s Minister for Tourism, Arts and the Environment, Ms Paula Wriedt, to respond reasonably and adequately to the environmental crisis caused by the explosion in the number of rats and rabbits on the World Heritage-listed Macquarie Island; and
(b) calls on the Tasmanian Government to accept its responsibilities for reversing the extraordinary damage to the island’s native plant life and threat to its wildlife by:
(i) immediately matching the Federal Government’s offer to pay half of the $24.6 million required for a rescue plan,
(ii) rejecting Ms Wriedt’s contention that World Heritage areas are ‘locked up’ and a ‘cost burden’, and
(iii) having the Tasmanian Premier, Mr Paul Lennon, intervene, if necessary, to ensure adequate action is taken before winter closes important options.

Postponement
The following items of business were postponed:
General business notice of motion no. 747 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, proposing the introduction of the Lobbying and Ministerial Accountability Bill 2007, postponed till 29 March 2007.
General business notice of motion no. 761 standing in the name of the Leader of the Family First Party (Senator Fielding) for today, proposing the introduction of the Workplace Relations (Restoring Family Work Balance) Amendment Bill 2007, postponed till 29 March 2007.

COMMITTEES

Employment, Workplace Relations and Education Committee

Extension of Time

Senator PARRY (Tasmania) (3.37 pm)—At the request of Senator Troeth, I move:

That the time for the presentation of the report of the Employment, Workplace Relations and Education Committee on workforce challenges in the Australian transport sector be extended to 9 August 2007.

Question agreed to.

Community Affairs Committee

Reference

Senator PARRY (Tasmania) (3.37 pm)—At the request of Senator Adams, I move:

That the following matter be referred to the Community Affairs Committee for inquiry and report by 20 September 2007:

The operation and effectiveness of Patient Assisted Travel Schemes, including:

(a) the need for greater national consistency and uniformity of Patient Assisted Travel Schemes across jurisdictions, especially the procedures used to determine eligibility for travel schemes covering patients, their carers, escorts and families; the level and forms of assistance provided; and reciprocal arrangements for inter-state patients and their carers;

(b) the need for national minimum standards to improve flexibility for rural patient access to specialist health services throughout Australia;

(c) the extent to which local and cross-border issues are compromising the effectiveness of existing Patient Assisted Travel Schemes in Australia, in terms of patient and health system outcomes;

(d) the current level of utilisation of schemes and identification of mechanisms to ensure that schemes are effectively marketed to all eligible patients and monitored to inform continuous improvement;

(e) variations in patient outcomes between metropolitan and rural, regional and remote patients and the extent to which improved travel and accommodation support would reduce these inequalities;

(f) the benefit to patients in having access to a specialist who has the support of a multidisciplinary team and the option to seek a second opinion;

(g) the relationship between initiatives in e-Health and Patient Assisted Travel Schemes;

(h) the feasibility and desirability of extending Patient Assisted Travel Schemes to all treatments listed on the Medicare Benefits Schedule Enhanced Primary Care items such as allied health and dental treatment and fitting of artificial limbs; and

(i) the role of charity and non-profit organisations in the provision of travel and accommodation assistance to patients.

Question agreed to.

TASMANIA: PROPOSED PULP MILL

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

That the Senate calls on the Minister for the Environment and Water Resources to ensure that federal guidelines for assessing Gunns Limited proposed pulp mill in Tasmania include the impact, direct and indirect, on rare and endangered species.

Question put.

The Senate divided. [3.43 pm]

(The President—Senator the Hon. Paul Calvert)
TASMANIA: PROPOSED PULP MILL

Senator MILNE (Tasmania) (3.46 pm)—
I move:

That the Senate calls on the Government to ensure that both the Stockholm Convention and the Biodiversity Convention will be upheld in assessing Gunns Limited proposed pulp mill in Tasmania.

Question put.

The Senate divided. [3.48 pm]

(The President—Senator the Hon. Paul Calvert)

<table>
<thead>
<tr>
<th>Ayes</th>
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<td>Noes</td>
<td>52</td>
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<td>Majority</td>
<td>44</td>
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AYES

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

NOES

Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Bishop, T.M.  Boswell, R.L.D.
Brandis, G.H.  Brown, C.L.
Calvert, P.H.  Campbell, G.
Carr, K.J.  Chapman, H.G.P.
Colbeck, R.  Conroy, S.M.
Eggleston, A.  Ferguson, A.B.
Fielding, S.  Fierravanti-Wells, C.
Fifield, M.P.  Forshaw, M.G.
Heffernan, W.  Hogg, J.J.
Humphries, G.  Hurley, A.
Hutchins, S.P.  Kemp, C.R.
Ludwig, J.W.  Lundy, K.A.
Macdonald, I.  Marshall, G.
Mason, B.J.  McEwen, A.
McLucas, J.E.  Moore, C.
Nash, F.  O’Brien, K.W.K.
Parry, S.  * Patterson, K.C.
Payne, M.A.  Polley, H.
Ray, R.F.  Ronaldson, M.
Santoro, S.  Scullion, N.G.
Sterle, G.  Troeth, J.M.
Trood, R.B.  Vanstone, A.E.
Watson, J.O.W.  Webber, R.
Wong, P.  Wortley, D.

* denotes teller

Question negatived.

NOTICES

Postponement

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.46 pm)—by leave—I move:

That general business notice of motion 770 standing in the name of Senator Bob Brown for today, relating to interrogation and torture, be postponed till the next day of sitting.
Watson, J.O.W.  Webber, R.
Wong, P.  Wortley, D.
* denotes teller

Question negatived.

MR DAVID HICKS

Senator NETTLE (New South Wales) (3.51 pm)—I move:

That the Senate—

(a) notes the guilty plea by Mr David Hicks;
(b) rejects the validity of the United States of America military commission occurring in Guantanamo Bay; and
(c) calls on the Government to expedite Mr Hick’s return to Australia.

Question put.
The Senate divided.  [3.53 pm]
(The President—Senator the Hon. Paul Calvert)

Ayes……….. 8
Noes……….. 52
Majority…….. 44

AYES

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

NOES

Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Bishop, T.M.  Boswell, R.L.D.
Brandis, G.H.  Brown, C.L.
Calvert, P.H.  Campbell, G.
Carr, K.J.  Chapman, H.G.P.
Colbeck, R.  Conroy, S.M.
Eggleston, A.  Ferguson, A.B.
Fielding, S.  Fierravanti-Wells, C.
Fifield, M.P.  Forshaw, M.G.
Heffernan, W.  Hogg, J.J.
Humphries, G.  Hurley, A.
Hutchins, S.P.  Kemp, C.R.
Ludwig, J.W.  Lundy, K.A.
Macdonald, I.  Marshall, G.
Mason, B.J.  McEwen, A.
McLucas, J.E.  Moore, C.
Nash, F.  O’Brien, K.W.K.
Parry, S.  Patterson, K.C.
Payne, M.A.  Polley, H.
Ray, R.F.  Ronaldson, M.
Santoro, S.  Scullion, N.G.
Sterle, G.  Troeth, J.M.
Trood, R.B.  Vanstone, A.E.
Watson, J.O.W.  Webber, R.
Wong, P.  Wortley, D.

* denotes teller

Question negatived.

NORTHERN IRELAND

Senator WATSON (Tasmania) (3.56 pm)—I move:

That the Senate notes the achievement of the power sharing agreement in Northern Ireland as an historic day and trusts that this will lead to a lasting and resilient peace for the benefit of all people in Northern Ireland.

Question agreed to.

ANNUAL SCIENCE MEETS PARLIAMENT EVENT

Senator STOTT DESPOJA (South Australia) (3.56 pm)—I move:

That the Senate—

(a) notes that 28 March 2007 is the annual Science Meets Parliament event;
(b) congratulates the Federation of Australian Scientific and Technological Societies for organising this annual event since 1999;
(c) welcomes the attending scientists to Parliament House; and
(d) commends the Australian scientific community for its continued success in generating world-leading innovation.

Question agreed to.

OPAL FUEL AND SUBSTANCE ABUSE

Senator SIEWERT (Western Australia) (3.57 pm)—I, and also on behalf of Senators Adams, Humphries, Moore, Bartlett and Crossin, move:

That the Senate—

(a) notes:
(i) the success to date of the roll-out of the non-sniffable Opal fuel and the dramatic reduction in the number of young people sniffing petrol over the 2006-07 summer, particularly in remote communities, and

(ii) that some progress has been made on the difficult issue of tackling petrol sniffing in Alice Springs, but that some issues still remain to be resolved;

(b) congratulates the film makers involved in the Remote Fest short film festival and all the participants in the successful youth programs they documented;

(c) acknowledges that substance-abuse experts recommend (as noted in the Community Affairs References Committee report, Beyond petrol sniffing: Renewing hope for Indigenous communities, tabled on 20 June 2006) that reducing the availability of inhalants is an important first step to addressing petrol sniffing that needs to be backed up by other complementary programs, including youth workers, holiday programs and other diversionary programs; and

(d) notes that further resources are needed to provide programs and infrastructure to consolidate the success of the initiative, and to bring renewed hope to Aboriginal communities of a future free from the scourge of petrol sniffing.

Question agreed to.

SLAVERY AND TRAFFICKING OF HUMANS

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.58 pm)—I move:

That the Senate—

(a) notes that 25 March 2007 was the 200th anniversary of the abolition of the trans-Atlantic slave trade;

(b) calls on the Government to:

(i) work for the eradication of the modern day version of slavery, the trafficking of humans for the sex industry in Australia, and

(ii) allocate sufficient funds for eradicating this form of slavery through prosecution of traffickers and support for the victims of this crime, noting that the current budget of $20 million for this work runs out in June 2007; and

(c) congratulates the Australian Catholic Religious Against Trafficking in Humans for its work in the fight against trafficking, including its publication warning women in Thailand about the dangers of working in the Australian sex industry.

Question put.

The Senate divided. [4.02 pm]

(The President—Senator the Hon. Paul Calvert)

AYES

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

NOES

Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Brandis, G.H. Calvert, P.H.
Campbell, I.G. Chapman, H.G.P.
Colbeck, R. Coonan, H.L.
Eggleston, A. Ellison, C.M.
Ferguson, A.B. Fieravanti-Wells, C.
Fifield, M.P.  Heffernan, W.
Humphries, G.  Johnston, D.
Joyce, B.  Kemp, C.R.
Macdonald, I.  Mason, B.J.
McGauran, J.J.  Minchin, N.H.
Nash, F.  Parry, S. *
Patterson, K.C.  Payne, M.A.
Ronaldson, M.  Santoro, S.
Troeth, J.M.  Trood, R.B.
Vanstone, A.E.  Watson, J.O.W.

PAIRS
Evans, C.V.  Boswell, R.L.D.
Faulkner, J.P.  Macdonald, J.A.L.
Kirk, L.  Lightfoot, P.R.
Sherry, N.J.  Ferris, J.M.
Stephens, U.  Scullion, N.G.

* denotes teller

Question negatived.

COMMITTEES

Community Affairs Committee

Reference

Senator ALLISON (Victoria—Leader of the Australian Democrats) (4.05 pm)—I move:

(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.

(3) That the committee have access to, and have power to make use of, the evidence and records of the Select Committee on Mental Health.

Question agreed to.

NORTHERN IRELAND

Senator WATSON (Tasmania) (4.06 pm)—Given the importance of my motion and that there is some confusion associated with it, and given that we are on air, I seek leave to read out my notice of motion.

Leave not granted.

MATTERS OF URGENCY

Housing Affordability

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 28 March 2007, from Senator Bartlett:

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 need for a national affordable housing strategy to be developed, involving all levels of government and all political parties, to address the serious and ongoing crisis in housing affordability.

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 clock accordingly.

Senator BARTLETT (Queensland) (4.07 pm)—I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The need for a national affordable housing strategy to be developed, involving all levels of government and all political parties, to address the serious and ongoing crisis in housing affordability.

This is a very urgent and important matter. The crisis in housing affordability in Australia has gone from bad to worse over a number of years. In my view, part of the reason it has gone from bad to worse is neglect, benign or otherwise, from both state and federal governments over that prolonged period of time. There has been too much finger pointing and state and federal governments blaming each other and sitting back, leaving it to the market and hoping it will work itself out. Maybe there is a theoretical argument to say that leaving it to the market could work, but the simple fact is it has not worked. I will not give a dissertation on the distorted nature of the housing market and the issues involved there; the simple reality is that market failure has occurred.

I draw attention to an article by Tim Colebatch in the \textit{Age} last month which pointed out that for the first time the average household in Australia can no longer afford the average home. That is based on figures released by the Housing Industry Association and the Commonwealth Bank last month. Housing is now more unaffordable than at any time in the 23 years they have been measuring it—going back to the early 1980s. That is an indictment on governments of all persuasions but particularly the current federal government that has been in power for a long period of time. It has allowed that situation to develop.

The situation was sufficiently bad a few years ago that the Treasurer, partly as a way of trying to get the issue off the front pages, called an inquiry, as governments do from time to time to make it look like they are doing something. He got the Productivity Commission to inquire into the cost of home ownership for first home buyers. That produced a report with 10 recommendations, some of which went to state governments and some to the federal government. The response of the federal government and the Treasurer was: ‘No, we’re not going to accept these recommendations; we’re not going to do anything. We’re not going to examine the tax mix and we’re not going to examine the impact of the various interconnected and sometimes totally unrelated and unconnected taxation and financial measures that are impacting on the housing market and housing prices. We’re just going to leave it as is and complain about the states not doing enough.’ I am quite prepared to accept that the states have not done enough in some circumstances—but that is not good enough. It is a national problem and it needs national action.

It is worth pointing out that it is not just a problem of the inability to purchase a home. Because the number of people unable to purchase a home is growing, the number of those forced to rent has swollen and that has made it harder to find properties to rent. That is now having a very dramatic impact on the private rental market, leading in some areas at least to quite rapid rises in private rentals. We have the very strange situation of a rental shortage despite enormous tax breaks for rental investors that have been supported by both major parties over the past 20 years or so.
As Tim Colebatch said, the first step we need to take in this area is to acknowledge that existing policies have failed. We need to put forward wide-ranging initiatives to build more affordable housing. Data released yesterday by a group called Australians for Affordable Housing detailed that on their figures the Commonwealth government spends $24 billion on housing. That is not just the $1 billion for the first home owners grant, which is not targeted; the less than $1 billion on public and community housing; and the $2 billion and growing on private rent assistance, which in many cases is a subsidy for landlords and investors as well. On top of those expenditures there is a great amount on negative gearing—what they estimate to be $13 billion on capital gains tax exemptions and discounts. The vast majority of that money goes to speculators, developers and investors. Only a small minority goes to people who simply want to buy or rent their own home.

I am not saying that people should not be able to invest in housing; I am saying that when you have huge amounts of money—tens of billions of dollars in expenditure or in what is called tax expenditures or forgone revenue—going in various ways to impact on the housing market without any data being collected on what impact it is having, whom it is being applied to and what their financial situation is, then you are not targeting that money most effectively. You are not getting the best value for money. If we are going to provide assistance to people for housing matters, surely we should be ensuring that the majority of it goes to people who are simply trying to get a house to live in before it goes to people who are investing and speculating.

There are a range of other measures out there and I am not going to say that any one of them is going to fix it. There is no one single fix for the problem. But what we need before we can even take that first step is a recognition that it is a national issue, that we need to adopt national affordable housing strategies and that political parties must make it a priority to work together with industry and the community to find solutions that will alleviate what is a major and growing cause of inequality in Australia.

Senator BERNARDI (South Australia)
(4.14 pm)—I thank Senator Bartlett for raising this issue. It is a national issue because state Labor governments occupy every state and territory government around this country and it is an absolute disgrace what they have been doing to first home buyers and to home buyers in general in this country. I thank Senator Bartlett again for raising this issue because I raised it just a few weeks ago in the Senate. During my speech I talked about what this government has done.

The first thing people need in order to be able to afford to buy a home is a job. We have the lowest unemployment rate in 32 years in this country, provided by a strong economy. That enables people to borrow money to buy a home, and they have done that with confidence under this government. And, talking about what we have done for the first home buyers, 926,000 people have benefited by purchasing a home with the support of a first home buyers grant. It is trite to suggest we have not done anything to help people get into housing. We are helping them with jobs. We are allowing them to confidently plan with a strong economy. We are helping them to get first home buyer assistance. As to rental accommodation, Senator Bartlett said we have done nothing to assist people through the rental process. That is simply not true. The Commonwealth government has committed $4.75 billion over five years under the Commonwealth-State Housing Agreement to support rental accommodation. This includes approximately
$93 million over the last financial year for the Aboriginal Rental Housing Program.

The essence of housing affordability is supported by industry groups and by this government. So it comes back to the robber barons who are running our state governments. They are out there seeing the purses of the hardworking men and women of Australia and saying: ‘Open them up because we’re going to empty them. We’re going to fleece you with stamp duty. We’re going to fleece you by withholding land.’ Instead of releasing land for the purpose of ensuring affordable housing, they are holding land and restricting the supply for the purpose of profit. What they are doing is an absolute disgrace. When someone finally manages to convince a state Labor government that they need to expand development and allow people to go and live in their own home, which is part of the great Australian ideal, what do they do? They say to the developer: ‘Hang on a second. Not only are you going to pay twice as much as we paid for this land just a few years ago; we are going to make you pay all the up-front costs as well.’

The state Labor governments across this country are absolutely remiss. They have proved that they are inept and incompetent, as is Labor generally, about managing resources and finances across this country. They have an absolute windfall of money flowing from the Commonwealth to support them with infrastructure, with the development of land and with all the great needs that exist in every state. And what do they do with it? They think the best thing they can do is employ a few more people in the public service, create a bit more bureaucracy and shuffle the papers and that is going to rebuild the economy. Australians can see through this.

This Labor Party mob over the other side who purport to be an alternative government say, ‘Trust us; we’re different.’ But we do not have to look too far—if we go around the whole country the only things we see are spendthrifts, wastefulness and ridiculous amounts of money being wasted on all sorts of silly schemes. The people hurt by this activity are the people of Australia, and they will see through it. They will say that they cannot understand why the Australian Labor Party purports to support a strong economy and yet has demonstrated something very different. ‘Do as I say, not as I do,’ is the Labor Party’s mantra on this. If you in the Labor Party are seriously going to go down the path of wanting to make housing affordable, you should get onto your state Labor comrades and say, ‘Reduce stamp duty; reduce land tax; encourage investment into private enterprise.’ Or are you going to take us back to the situation under the Keating and Hawke government when you abolished negative gearing and created a rental crisis such as this country had never seen? You want to get onto them about reducing their burdens and overrequirements for development and infrastructure if you want to make housing affordable in this country. This government, as I have said, has already made enormous inroads into that. And part of that is trying to provide relief from the $9.6 billion worth of stamp duty that was fleeced from the poor people of Australia in the last financial year. It is an absolute disgrace.

Homeownership is very important to the social fabric of this country and cannot be underestimated. The benefits are not purely economic. It is not just about people providing for their future, having a nice place to retire or something that they can call their own. It is about community building. And that is what this government has been about—building communities, providing support for families and ensuring that every Australian has a fair go. It is making sure that Australians have jobs. It is making sure
they can plan for their futures and that they can look after their children appropriately.

The Labor Party have failed at every turn. They have not only failed to support the policies we have put forward over the last 11 years; they have failed to haul in their comrades at the state level. They are high taxing. They are high spending. They cannot manage a budget—they have never been able to manage a budget. They are absolutely wasteful. Their economic policy is to try and copy ours, but they have not managed to do that at any turn. They keep having internal brawls of the Left, the far Left, the extreme Left, the communist Left—whatever Left they have got going—with their extreme Right, their radical Right, their middle people, their machine factions. Someone has got to kick them into gear. Do you know what? If someone bothered to kick Kevin Rudd in the backside they would not be hurting Kevin Rudd; they would be hurting one of the union stooges who is right behind him, trying to prop him up. This is what is rotten about the Labor Party over there on the other side—they are only relevant to the union movement. They are not concerned at all about the people of Australia and the home buyers of Australia.

This government provides tax relief. We represent fiscal management. We provide help for families. What do Labor governments do at a state level? Nothing. They pass the buck. They are running down services. They are not providing appropriate land releases into development zones. They are not providing stamp duty relief. In fact in South Australia, appallingly, as house prices have gone up they have been increasing stamp duty so that there are no exemptions for people buying the average priced home. If you wanted to encourage people to go to a state where we need workers and where we have a lot of developments going on, you would think you would provide something to attract them to go there. Not the state Labor governments.

The state Labor governments are cut from the same cloth as the purported alternative government on the other side of the chamber, and it is a rotten cloth. It is moth-eaten. It is 1950s socialist dogma hiding behind the cosy smiling face of Mr Rudd. It is very dangerous. The best friend that Australian families and homebuyers have had is this government. Nine hundred and twenty-six thousand families and individuals have benefited from our support for first home buyers. We have cut taxation in order to enable them to afford the wasteful expenditure of the state Labor governments and the Labor administrations. And every single time we have taken a step forward to try to help people, who has opposed us? Has our effort been supported by the other side? No, it has not. We have had to drag them kicking and screaming to every reform that has enabled Australia and the people of Australia to benefit from one of the strongest economies that we have ever seen.

Do you think that we can afford to let the federal Labor opposition squander our prosperity? They will send this country into a near bankrupt state if they continue with the ridiculous policies espoused by the Labor parties across the country. The proof is there for the people of Australia to see. If you want a credible, viable, sustainable economy in this country and you want to see more people being able to afford their own homes, then a coalition government is the only way to go. The proof is in pudding. Look around the states and you will see how high taxing and wasteful they are. *(Time expired)*

**Senator Lundy** (Australian Capital Territory) *(4.24 pm)—*That was a very lazy contribution, I believe. What we are talking about here is a very serious social and economic problem facing this country rather
than a ‘Reds under the bed’ style scare campaign from senators opposite who obviously have not even bothered to research this problem in any depth. We know that housing affordability is a national problem and it is a problem that requires leadership and a consistent response. However, over the past 11 long years under the Howard government we have seen a government that has failed to show leadership. It has failed to provide the leadership necessary to address the ongoing crisis in housing affordability and it has certainly and consistently failed to respond to the increase in this problem.

The problem is this: housing is one of our most basic needs but with rents skyrocketing in all of Australia’s capital cities and home-ownership slipping out of reach of many ordinary working Australians, this basic right, this basic need for housing, is eluding many in our community. When asked about the issue of housing affordability, Mr Howard would have us believe that there is a single simple solution—the states should minimise taxes and release more land.

Of course there is no such simple solution. The New South Wales government has already abolished stamp duty for first home buyers purchasing properties for less than $500,000. While this has assisted many first home buyers get into the housing market, it has not changed the ongoing challenge of improving housing affordability generally for everybody else. Blaming the states for these issues is not good enough. There are a whole range of reasons for rental and house prices going up right around the country, and the coalition government’s response is: we will just blame the states again. This blame game is the approach of the Howard government and they make it out to be a solution. The blame game is not a solution; it is an excuse for poor leadership and poor governing of this particular portfolio.

The Australian dream of owning your own home is becoming unattainable for many. Demographia, an international housing affordability survey, found that Australians now pay on average 6.6 times their annual household income on purchasing their homes. Sydney, Perth and Hobart were among the top 20 cities around the world where houses were found to be ‘severely unaffordable’. To even get into the housing market in Sydney, Melbourne and Perth you now need a six-figure salary. In my home city of Canberra you needed an annual income of $43,250 back in 1996 to purchase a median-priced home, but with 11 years under the coalition government this has exploded in 2006 with the average Canberran now needing an annual income of some $106,596 to purchase a median-priced home.

Before you even start anything else, for most people this will mean having two incomes. The implications on child care and working people’s work/life balance are significant, especially if you add the problem of the shortage of child care, particularly in babies’ rooms when children are very young but families cannot afford to do without that dual income to pay the mortgage. Those who do manage to save a deposit while paying their rent, bills, childcare costs and other necessities are then left paying the highest percentage of their income in mortgage interest repayments—higher than ever before.

Adding to this financial pressure are the four interest rate rises since the last election. Yesterday in this place Senator Minchin said that a significant factor in housing affordability is interest rates, and yet we have seen interest rate rises under a coalition government since the last election—a broken Howard government promise. It was a promise that was never his to make but that did not stop this arrogant government or this tricky Prime Minister from making the claim. This is not lost on homeowners and mortgage
payers around the country and I doubt that they will be forgiving.

Another group that are really feeling the pinch are renters. Nationally rents have been rising more than twice as fast as inflation. As rental payments chew up a greater proportion of people’s income, saving a deposit to purchase their home is becoming increasingly difficult—and that goes without saying. Low-income renters are particularly vulnerable in the current climate of low vacancy rates and spiralling rents.

Recent statistics from the Australian Bureau of Statistics show that there is an estimated 134,000 shortfall in low-cost rental properties nationally—134,000 families that are doing it tougher than they ought to be. I have heard one example of a mining town in Queensland where the people working in the services sector cannot compete for housing with the people working in the boom sector of mining, with unmet demand pushing up prices till they are out of the reach of those people who work in that services sector of the economy and do not earn the salaries they would receive if they worked in a boom sector. Another example is in Western Australia, where a company ended up buying a hotel in which workers could live because the housing shortages were so drastic. As these examples show, the problem varies between different areas. This means it is important to be able to adapt local solutions to local problems, and as such the Labor Party has committed to work when in government with all levels of government, not just state governments but local governments as well, to help solve housing issues within their jurisdiction.

Even today I read an article in the Canberra Times highlighting the very real and devastating effects that increasing rental prices are having on low-income families. Ms Hazell, an unemployed mother with two young girls, has had to move four times in the last two weeks after leaving her $700 a fortnight rental property. Ms Hazell is concerned about the effect this is having on her two young children. She told the Canberra Times:

My kids are bright, but falling behind in their school work. They’re tired. They’re suffering ...

Obviously that is a serious case of hardship. Access to secure, appropriate and affordable housing is an essential ingredient of quality family life. But this government has not been doing anything to ensure that families such as this one can access appropriate housing.

One of the most respected figures in the Canberra property industry, Mr David Dawes, is going to be heading an implementation team to drive the reforms and initiatives flowing from the soon-to-be-released affordable housing report initiated by the ACT government through the ACT Chief Minister, Mr Stanhope. Mr Stanhope said today:

“There are few more important social imperatives than ensuring that everyone in the community has access to affordable and appropriate housing ...

It is clear that there is no substance to what this government says about states and territories not doing anything. It is not good enough to say, ‘Blame them.’ We need to acknowledge that there are initiatives happening at a state and territory level and that in fact it is the Howard government that has been totally neglectful of its duty to address this growing problem. It has failed to address housing affordability. It has ripped $400 million out of the Commonwealth-State Housing Agreement over the last 10 years. In contrast, Labor is committed to making improvements in all areas of housing, including emergency accommodation, public and community housing, private rentals and homeownership.
Unlike the Howard government, Labor have a plan to make these improvements. Firstly, we will have a minister responsible for housing. The minister will be responsible for developing and implementing affordable housing policy. The housing minister will form an essential part of the government’s economic team, working closely with the Treasurer to boost housing affordability.

Secondly, as cited in the motion we are currently debating, a Labor government will work with state and territory governments and with local government to address the serious and ongoing crisis in housing affordability. That is the only way; it has got to be addressed with a three-tier approach, not by this ridiculous, shallow, irresponsible blame game that the Howard government perpetuates.

Thirdly, a federal Labor government will negotiate a national affordable housing agreement with these three tiers of government which will replace the Commonwealth-State Housing Agreement. All elements of federal housing policy will come under this one agreement, including the grants to states for public housing, the first home owners grant and $2 billion in Commonwealth rent assistance. It is critically important that local government be involved in that so that we can tailor local solutions to local problems. They do vary right across the country, and we have to get down to a level of specificity that makes a real difference to families in specific areas. I would like to conclude by saying that a Rudd Labor government is committed to boosting affordable housing—(Time expired)

Senator SIEWERT (Western Australia) (4.34 pm)—I rise in support of this urgency motion. The Australian Greens have been concerned about access to affordable housing for a considerable period of time. When you look at some of the details, you see that our concern is absolutely justified, as is the concern of the community. In the past decade the median house price in Australia has increased from four times average incomes to six to seven times average incomes. The growth in the private rental market across Australia has been uneven, and there is a shortage of approximately 134,000 properties in the low-cost end of the market.

I know about this from the personal experiences of friends. Only last week one was trying to find a place to rent in Western Australia using the new service of being able to get instant emails when a property comes up. He submitted one saying, ‘Yes, I want the house.’ Not long afterwards the owners rang to say: ‘We’ve had four people apply for this house at $250 a week. How about upping it to $280 and you might have a chance of getting this home?’ He has still not been able to find a rental house in Perth. He has been trying to find one since the beginning of January. I would say his is not an isolated example.

Thirty-five per cent of Commonwealth rent assistance recipients, being families on low incomes, will spend 30 per cent or more of their incomes on housing costs. That is also of concern. It is estimated that 1.1 million people on low to middle incomes are suffering from housing stress. Obviously, this puts stress on the entire family.

I refer to the point that housing is not a Commonwealth government issue. That is a furphy, given that, according to a report released yesterday by Australians for Affordable Housing, the federal government accounts for approximately $24 billion in direct and indirect spending on housing, of which 80 per cent goes into tax breaks for speculators, developers and investors and only 20 per cent is actually directly invested in the needs of ordinary families who are trying to either rent or buy their own home.
I would now like to turn specifically to my home state of Western Australia. Last month I released a report called ‘The boom for whom?’ in which I looked at the impacts of the boom in Western Australia and the benefits for so-called ordinary Western Australians. The report showed that while the economy is being driven by the mining sector, and wages have risen dramatically in the mining sector, unfortunately that has not been reflected in other sectors. For example, average wage rates in the hospitality sector have increased by only 2.4 per cent in the last 12 months, which is less than half the growth rate in the mining and construction industries and lower than the inflation rate.

Housing affordability has become a major issue in Western Australia. Prices are rapidly increasing and they are approaching Sydney levels. The lower median house price in Perth has traditionally been lower than the median house price in other cities. In just over 15 years the median house price in Perth has risen from under $100,000 in 1991 to well over $350,000 now. With the significant increase in the price of housing in Western Australia the $7,000 first home owners grant pales into insignificance. The median house price in Perth is closer than ever to the median house price in the other capital cities. It is difficult for the people of Perth to find the resources to be able to invest in a home of their own. I think it is fair to say that house prices and rents have increased at a much more significant rate in Perth than in other places around Australia.

To address these issues, we believe we need to significantly increase our investment in public and community housing. This could be done in a cost-neutral way. I would argue that there needs to be an increase in funding for housing. But, even if the government did not do that, they could shift the emphasis to more affordable public housing in the community sector in the way they allocate the pie. They could also look at an affordable rent incentive and non-profit shared equity.

(Time expired)

Senator RONALDSON (Victoria) (4.39 pm)—I do not know if Senator Bartlett was here when Senator Lundy was talking. If he was he would be saying, ‘What am I worried about?’ because, according to Senator Lundy, this is easily solved: you have a summit on this and you have a summit in relation to the environment. The way this is going, these people will have a bad dose of ‘summit-itis’, and I suspect that we will probably recommend that there be a summit on why the Labor Party has not actually got any policies. A summit. That is the sum total of a Labor frontbencher’s contribution—no policies, no solution, no acknowledgement.

Today’s motion should be: ‘This Senate condemns the state Labor governments for their failure to give Australian families the opportunity to access affordable housing.’ The notion that the coalition is somehow responsible for increased house prices is about as believable as saying that two per cent of the population can name more than three Labor frontbenchers. It is totally unbelievable. For Senator Lundy to come in here today and talk about a summit and have no policies and try to blame the federal coalition for increasing house prices just shows how totally devoid the Australian Labor Party is of any policy to address any situation and why its members are simply not ready for—nor do they deserve—government.

The reality of the situation is that the federal government have set a number of scenarios to assist potential homeowners, including a real increase in wages, low unemployment and industrial relations changes that have given the small business community of this country the confidence to go out and employ again. Nearly 300,000 new jobs have been created in the workforce in the last
12 months, including 118,000 new jobs for women. But that on its own does not address this issue. The Labor Party should be acutely aware of the contribution we have made to the Commonwealth-State Housing Agreement and the money that we are putting into the First Home Owners Scheme. We have now put around $6.9 billion into the scheme since we first introduced it under A New Tax System in 2000. We are giving rent assistance to low-income families and social security recipients. Billions of dollars, quite rightly, are going to where there is effective market failure.

Senator Bartlett, I hope you are not suggesting to the chamber today that you want to unilaterally withdraw negative gearing, because, if you think there is a housing crisis and a rental crisis now, you ain’t seen nothin’ yet. I am sure that is not part of the Australian Democrats’ policy, but, if it is, you stand utterly condemned for your failure to understand what is driving the present situation.

Senator Joyce—Those who can afford houses live in them.

Senator RONALDSON—Exactly. I just want to go through the realities of the house price situation. Five years ago, $40,000 would have bought you a reasonable house in a city like Adelaide. The median price was about $135,000; that has now doubled. In just five years, the price of residential land has doubled. Land once represented 25 per cent of the cost of a new house and land package. How much is it now? Fifty per cent. In five years the residential land component of a house and land package has gone from 25 per cent to 50 per cent. In comparison, the actual building costs of a new home have not risen dramatically. The great bulk of this increase has been that land component of house and land packages.

I am taking some of this information from a lecture by Bob Day AO, the national president of the HIA, in a speech that he gave last year, I think it was. He quoted a recent housing affordability study of 88 cities around the world, including Australia, New Zealand, Canada and the United States. It confirmed that land rationing through government policy is the main cause of increased land prices—those very land prices I referred to before which have seen the land component of house and land packages increase from 25 per cent to 50 per cent.

That study was conducted by a research group called Demographia. It found that housing affordability, rather than being a worldwide problem, as some claim, is largely confined to cities in Australia and on the coast in the United States where governments restrict land supply. Of 30 cities covered in the study that were classified as having affordable housing—which is where the median house price is generally less than three times the median household income—none of those had adopted the policies of state Labor governments in Australia which have driven up land prices for new home buyers.

There has been talk about the blame game today. This situation will not be resolved overnight. The situation will be resolved by state Labor governments doing four things: (1) they must release more land; (2) they must streamline planning approvals; (3) they must cut stamp duty on property transfers; and (4) they must ease the developer and infrastructure levies they charge for developers of new homes. We have to maintain a strong economy to maintain affordability, but it is incumbent upon state Labor governments to do their part, as they have sole responsibility for addressing that 25 per cent increase in the land component of housing and land costs. (Time expired)
Senator MARSHALL (Victoria) (4.47 pm)—I welcome this resolution before the Senate today moved by Senator Bartlett. I know he has raised it to get some genuine debate about what is a very important issue and one that is facing more and more Australians. I am sure he is disappointed, as I am, that when the government members speak to this motion the first thing they do is simply absolve themselves of any responsibility and blame the states.

We heard Senator Bernardi welcome this debate in the Senate. He told us how he has a great interest in it and that it is something he has spoken about. He then went on to blame the states and went on with a rant about the ALP, unions and everything else except the issue that we are supposed to be debating. He then had the gall to actually say it was our responsibility—the federal parliamentary Labor Party’s responsibility. I find that rather strange, given that Senator Bernardi should know as well as anyone else that we have been in opposition for 10 years and it is actually the government’s obligation to take a proactive role in this issue. They do not seem to have the capacity to even address that issue. They simply blame the states because it is convenient not to address the issue if you have someone else to constantly blame. Senator Ronaldson’s contribution, while it had a little bit more substance than Senator Bernardi’s, actually went to some of the issues, but, again, the focus was that it was everyone else’s problem but the federal government’s.

I happen to think there is no simple solution and that it requires a complex solution involving all levels of government. I think there is a more proactive role that the states could play with proper federal leadership. It goes to issues of Commonwealth-state funding and where money comes from for infrastructure development and planning issues. There are three levels of government that need to be engaged in that. I am disappointed that government senators have been so dismissive of this instead of engaging in a constructive debate about what we as a federal parliament can do and what the government should be considering to address what is a very important issue for more and more Australians every day.

The need for safe and secure housing is one of the most basic needs of humanity. It is a benchmark of how well a society is performing and looking after its citizens. I was reminded of the importance of this issue with the launch of the new campaign from the Australians for Affordable Housing coalition, a campaign which aims to tackle our current housing crisis. I applaud the work done by the Australians for Affordable Housing coalition, as housing often does not get the attention that other issues in our community do, despite the importance of it in our day-to-day lives. I guess that has been demonstrated quite clearly here today, with the government senators demonstrating the poverty of their position in respect of engaging in this very import debate.

In my own state of Victoria, housing issues are now becoming acute for people living in population centres who do not have the luxury of large incomes. When this is combined with a lack of transport, it means that some in our community are being excluded from a place to live. In Melbourne in particular there have been many community advocates who have worked long and hard to ensure that there is action on housing affordability, and of course I urge them to continue. We should not let this issue fade from the public view.

Many of these individuals and groups are now involved in the Australians for Affordable Housing coalition, and I want to reassure them that Labor welcomes and endorses their campaign. We too share the belief that
housing should be affordable for all in our community. This issue is not solely a problem in Victoria; it is nationwide. Across Australia, people who are crucial to our community—students, carers, teachers, police, nurses, electricians, truck drivers, those looking for work—are all discovering that an affordable place to live is getting harder to find, and for some it is impossible. We constantly hear of how wonderful the resource boom is—that it means jobs and wealth. But we do not hear about the people such as hospitality and childcare workers in those communities who suddenly find house prices rising out of their reach. If they are renting they find they have to move out of town, and in some places like Queensland and Western Australia—the centres of the resource boom—they have to move to the next town altogether.

In our larger cities, as more people have realised, the inner city suburbs offer housing near employment and good public transport, schools, hospitals, libraries and other public assets, and housing in these areas has become unaffordable for anyone who does not have a large income or is not in a double-income family. Traditional working-class suburbs, which saw a large cross-section of ordinary workers, students, families and the elderly, are now losing their communities as people are forced out by rising rentals and house prices. Carlton, Collingwood, Fitzroy, North Melbourne; these are all suburbs where you would be lucky to find any workers on low incomes or their families. Aged-care facilities have sold up and moved out. Housing prices are often over a million dollars, and rent prices are now astronomical. Rental inspections may attract up to 100 people, and, to determine who they will rent a property to, some unscrupulous landlords and real estate agents will have an unofficial auction to see who will pay the highest rent. If it was not for public housing in these inner city suburbs, great numbers of our most essential workers, students and a large cross-section of our community would be forced to pull up stumps and look for cheaper accommodation.

The problem of housing affordability is a crisis in some local areas and is a real problem across the nation. It is not only some local communities that have borne the brunt of the lack of housing affordability; many Australians across the nation are feeling the pinch as mortgage repayments and rent chew up greater proportions of their income than ever before. The Australians for Affordable Housing coalition pointed out yesterday that rents have been rising nationally more than twice as fast as inflation. This is not just hurting families looking for a place to live; it is being felt by low-to middle-income earners, first home buyers and single people who are struggling to find and keep affordable housing. As the Australians for Affordable Housing coalition also pointed out, families buying their first home now need a six-figure income just to pay the mortgage on a medium priced home in most capital cities.

Far from delivering greater affordability and the low interest rates that they promised, federal ministers continue to duck questions about housing affordability. It is a debate that needs to be had, and it is a debate that needs to engage all levels of government. It must be remembered that eight interest rate rises on Peter Costello’s watch have added almost $130,000 over the life of a mortgage on a medium priced Melbourne home.

The one positive to come out of the acute local housing crisis has been the willingness of local and state governments to try to tackle the problem. More affordable housing has been built, redevelopments have taken place in conjunction with the private sector and innovative policy responses have been produced. This has been done by state and
local governments by themselves, while the federal government continues to simply blame them for the worsening situation. If the federal government took the view to engage and cooperate more with state and local governments, more could be done—and more needs to be done.

There seems to be an ‘all blame and no responsibility’ attitude from this government when something goes wrong. Over on this side of the chamber we are all about ending the blame game, and when it comes to housing affordability that is exactly what we intend to do. There is a great responsibility for the federal government in housing affordability. It has a direct role through funding Commonwealth-state housing agreements, it has a direct role in creating fair taxation and welfare arrangements such as rental assistance and it has a crucial role in the infrastructure needs of our communities: in transport, communications and urban development. There is a greater need for Commonwealth involvement, and simply blaming the states, blaming other tiers of government—and, in fact, blaming the opposition—for the housing affordability crisis is no responsible way for a government to tackle a problem that is being felt more and more acutely by more and more Australians every day, every week and every year.

Labor have repeatedly said that, while there is no simple answer to housing stress, there are a number of things that could and should be done that would ease the crisis. We have committed to assessing all constructive ideas for tackling the lack of affordable housing, and we will start by negotiating a national affordable housing agreement amongst the three tiers of government. We have also committed to looking at shared equity models involving the federal government. We will look at protecting consumers from predatory lenders and we will actively seek ways to leverage private investment in low-income housing. In government, Labor will move to fill the current policy void with a realistic and innovative approach designed to ensure that all Australians have secure, prosperous and healthy places to live. (Time expired)

**Senator Fifield** (Victoria) (4.57 pm)—I agree with Senator Marshall that this debate should look at how to improve housing affordability, but I also think it is possible to make this issue more complex than it need be. What this debate requires is a look at the factors that influence a person’s ability to afford a home, and I will start with those areas for which the Commonwealth government is responsible. The first issue to look at is: does someone have a job? It is hard to afford a house if you do not have an income, and the best way to ensure an income is to have a job. Under this government, more Australians are in work than ever before. Unemployment has fallen from its peak of 10.9 per cent under Labor to 4.6 per cent today, and two million jobs have been created since the coalition came to office. The coalition are a friend of the worker because we have created an environment in which more Australians than ever before can have a job—they have the chance to earn an income to be used to purchase a house and to pay off a loan.

The second factor to look at is: are people earning enough to put towards a house? Under this government, real wages have grown by 19.8 per cent. Under Labor, they actually fell by 1.8 per cent. The coalition government has also introduced the first home buyers grant to assist young home buyers.

The third factor to examine when looking at the ability of Australians to afford housing is: can they afford to borrow? The price of borrowing, as we know, is the interest rate. Under Labor, interest rates peaked at 17 per cent and they averaged 12.5 per cent. Our
government has run surplus budgets, we have paid off Labor’s $96 billion debt and we have established the Future Fund. All else being equal, if the government is saving, as opposed to borrowing, it puts downward pressure on interest rates; and that is what has happened. The current rate for the standard variable loan is 8.05 per cent. It is still a historically low rate.

Australians are enjoying better employment prospects, higher wages and lower interest rates because this government has taken hard decisions in the national interest. We have reformed industrial relations, cut income tax, balanced the budget and repaid every cent of Labor’s debt. At every step, Labor opposed every single measure we put in place to help create the prosperity we enjoy today. Despite Labor’s opportunistic obstructionism, the Commonwealth has done what is within its capacity to put Australians in a good position to afford a home. But there are also factors which are clearly within the control of state governments that impact directly on housing affordability.

Firstly, there is property taxation, particularly stamp duty. State governments around Australia, as we all know, are enjoying massive GST windfalls. This financial year alone, state governments will receive almost $2 billion more than they would have received under the old system. If federal Labor is serious about addressing housing affordability, they could approach their state colleagues to cut stamp duty. It is not as though state and territory Labor governments cannot afford it. Mr Rudd is very fond of impersonating a prime minister. He calls his own summits and meets state premiers on all sorts of issues, getting them around the table all the time. He should call his state colleagues together to do something about stamp duty.

Secondly, clearly within the realm of state government control is the issue of development and infrastructure charges levied on developers of new housing estates. State governments should cut these charges or fund them themselves. These charges inflate the price of housing in new developments, the very developments that are most likely to produce affordable housing. Again, state governments have the capacity, with the GST, to do something about that.

Thirdly, again clearly within the area of responsibility for state governments is the shortage of land for new housing. Housing would be more affordable if supply were increased. It is a pretty simple equation. New housing estates require land but state governments are failing to release the required land. State Labor governments are failing homebuyers. It is not the blame game to hold a tier of government accountable for something that is within their responsibility; that is called holding a government to account.

If the Labor opposition are concerned about housing affordability, there is something they can do about it. Mr Rudd can step up to the plate and demand that his state Labor colleagues release more land for housing, cut stamp duty and cut infrastructure levies. But there is one federal colleague in particular whom I think Mr Rudd needs to bring into line. An article in the Australian a while back under the heading ‘Energy guzzling McMansions in Labor’s sights’ said:

Australia’s energy guzzling McMansions are in Labor’s sights under a new housing policy designed to tackle the nation’s supersized houses.

Who was the author of this policy? Senator Kim Carr. The article went on:

The new housing agenda calls for a redesign of the popular first home owners grant scheme. I think we all know what ‘redesign’ means. First homebuyers can kiss the scheme, in its current form, goodbye if Labor gets into government. Senator Carr went further. He wants to educate families that big houses in
the suburbs are bad for the environment. Yes, Senator Carr has declared a jihad on McMansions. The article says that Senator Carr:

... who lives in a large, sprawling two-storey house in Melbourne—

and there is a very lovely picture of it in the article—

wants to generate a debate on housing.

Senator Carr told the *Australian*:

I am saying we cannot continue to build energy-guzzling houses without explaining to the people the cost of building a house where you need two air conditioners to make it habitable.

What an outrage for Australians to want to live in a large house; what an outrage for them to want two air conditioners! This is an incredibly patronising approach. The coalition have not pursued an approach which is patronising; we want to do something quite practical about the factors over which the Commonwealth government have control—low unemployment, low inflation, low interest rates and higher wages. We have done our bit in exactly the areas in which Labor have an appalling record. It is time for state governments to do something in the areas they are responsible for—stamp duties, infrastructure levies and supply of land for new housing estates. Young Australians wanting to buy a home will get no assistance from Labor; state or federal. Assistance will come only from the coalition government. *(Time expired)*

**Senator BARTLETT** (Queensland) *(5.05 pm)*—To conclude this debate, I remind the Senate and those listening that we are debating a matter of urgency—that a national affordable housing strategy should be developed involving all levels of government. I remind the Senate that statistics now show that households on an average Australian income can no longer afford to buy an average-priced home. Home ownership is fast moving out of reach for many in the next generation and, indeed, for many in the current generation. Private rental costs are also causing immense housing-induced income stress for many Australians, as are the very long waiting lists for public and community housing. ABS statistics show that the proportion of first home owners as a percentage of all homebuyers has dropped dramatically from 67 per cent in 1977 to 23 per cent in 2002. We are now down to a very small minority of the people purchasing a home who are first homebuyers. There is a crisis here.

I do not in any way say that there is not more the states can do. I would agree with Senator Fifield: there is more that the states can do. According to Senator Fifield, the Commonwealth government has done all it can in its capacity, through its various measures. I am afraid, if that is all it can do, then that is a very clear sign that this government is getting very tired and running out of ideas, because it needs to do something.

The first thing it should do is recognise that the things that are in its field of endeavour and capacity are not sufficient and in some cases may inadvertently be making the problem worse through market distortions. The reason you have a national cooperative strategy is to look at all these areas: to see if you can make the billion dollars of the first homebuyers’ money more targeted, more effective and noninflationary; to see if you can ensure that private rental assistance is spent in the most efficient way; to look at whether or not the totality of the enormous amounts that are provided to people who are not lower income, which is the negative gearing subsidy, can be changed—not abolished, scrapped or unilaterally withdrawn, to reassure Senator Ronaldson, but refocused so that it can be used in a way that will produce affordable housing outcomes.
There are many ideas out there. I would again mention the recently released proposal from the National Affordable Housing Summit group. They have already had their summit; they do not need another one. That group involves the Housing Industry Association that Senator Ronaldson quoted, community housing groups like National Shelter and the Tenants Union, and trade union groups like the ACTU and the CFMEU. They put up a proposal about a national affordable rental incentive scheme to boost the supply of affordable rental housing by at least 15,000 homes a year, so that the various incentives around—the billions and billions of dollars that are spent—might actually be spent in a way that provides incentives where affordable housing is part of the outcome. There was a whole range of different proposals that were released just yesterday by the Australians for Affordable Housing coalition. I am not endorsing all of them unequivocally, although I think many of them are good. But let us sit down and let us recognise that there needs to be national leadership and a national strategy—a national and consistent approach—that recognises that this is an urgent issue and a serious matter that is leading to very wide and growing inequality amongst Australians. If the federal government cannot recognise that there is a need for action in that regard, then frankly they really seriously are out of touch.

**Question negatived.**

**COMMITTEES**

**Scrutiny of Bills Committee Report**


Ordered that the report be printed.

**Senator GEORGE CAMPBELL**—I seek leave to move a motion in relation to the report.

Leave granted.

**Senator GEORGE CAMPBELL**—I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling speech in *Hansard*.

Leave granted.

The statement read as follows—

In tabling the Committee’s Alert Digest No 4 of 2007 I would like to draw the Senate’s attention to two bills on which the Committee has made comment: the Aged Care Amendment (Residential Care) Bill 2007; and the Education Services for Overseas Students Legislation Amendment Bill 2007. Both of these bills include sections that may be considered to make rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers, in breach of principle 1(a)(ii) of the Committee’s terms of reference.

Since its establishment the Committee has consistently drawn the Senate’s attention to legislation which gives administrators seemingly wide and ill-defined powers.

In respect to the Aged Care Amendment (Residential Care) Bill 2007, the Committee has raised concerns in respect to subsection 25-4D(1) of the bill, which gives the Secretary of the Department of Health and Ageing the power to require further information from an applicant seeking to have their suspension to conduct appraisals and reappraisals of care recipients lifted. The secretary can request that this further information be provided ‘within 14 days after receiving the notice, or within such shorter period as specified in the written notice.’

The Committee’s concern is that, in its current form, the bill would allow the Secretary to request this information within very short periods of time, without having regard to what might be considered reasonable in the circumstances. Where a bill confers powers of this nature on an
official, the Committee has an expectation that these powers will have some limits placed on them, to ensure that they are not used in an arbitrary or unreasonable manner.

In respect to the Education Services for Overseas Students Legislation Amendment Bill 2007, the bill appears to afford an unduly wide discretion in the delegation of functions and powers to 'an officer or employee of a State'. The Committee’s expectation is that delegation powers will reflect the principle that the discretion to delegate ought to be limited in some way, either by limiting the class of person to whom the powers of functions can be delegated or by limiting the range of powers or functions that can be delegated.

I would also like to draw the Senate's attention to the Committee's Fourth Report of 2007 and, on behalf of the Committee, thank the Minister for Education, Science and Training, the Minister for Human Services and Mr Georganas MP, all of whom have committed to make amendments to explanatory memoranda or bills in response to concerns raised by the Committee in previous Alert Digests.

Question agreed to.

QANTAS SALE (KEEP JETSTAR AUSTRALIAN) AMENDMENT BILL 2007

Report of Economics Committee

Senator PARRY (Tasmania) (5.10 pm)—On behalf of Senator Joyce, I present a corrected version of his comments on the report of the Senate Standing Committee on Economics on the Qantas Sale (Keep Jetstar Australian) Amendment Bill 2007.

Ordered that the document be printed.

COMMITTEES

Public Works Committee

Report

Senator PARRY (Tasmania) (5.10 pm)—On behalf of Senator Troeth, I present the report of the Joint Standing Committee on Public Works on the redevelopment of propellant manufacturing and other specified capabilities at Mulwala. I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—

On behalf of the Parliamentary Standing Committee on Public Works I present the Committee’s first report of 2007.

This report addresses the redevelopment of propellant manufacturing and other specified capabilities at Mulwala at an estimated cost of $A338.7 million.

Mr President, this was a particularly complex project in terms of its nature.

On the one hand the arrangements between the Commonwealth and the lessee are to all intents and purposes commercial.

On the other, the current relationship between the Commonwealth and the lessee while continuing to ensure that the propellant and ordnance needs of the ADF are met, maintains the arrangements that existed when Mulwala was government-owned and operated.

The Committee accepts the significance of Mulwala as the only facility in Australia that produces propellant for the Australian Defence Force, and its need as part of the overall Defence infrastructure is beyond question. So to is the on-going requirement for Australia to be self-reliant for both the manufacture of propellant and ordnance to meet the demands of the defence force.

However, financial arrangements in place for the operation of the plant at Mulwala are problematic, particularly as to whether they reflect Commonwealth “best interest”.

The Commonwealth is investing a considerable amount of public monies in this project with little return on investment. Indeed the arrangements that have been entered into between the current operator and the department as the agent for the Commonwealth skew the financial arrangements between the lessee and the Commonwealth in favour of the latter.

This situation has emerged largely as a result of the Mulwala Agreement signed off in 1998, but which has not been revisited since the new lessees
took over the lease of the Mulwala facility in 2006.

Mr President, the Mulwala Agreement is of significance in the context of the redevelopment of Mulwala. It establishes the terms and conditions under which the lessee occupies the facility; the lessee’s commitments to the ADF in terms of product supply and related issues; and the obligations of the Commonwealth to the occupier.

This includes a number of conditions, but of specific interest to the Committee were those arrangements associated with the payment of a capability payment, the actual leasing arrangements of the property, and the distribution of revenue between the Commonwealth and the lessee.

Prior to Mulwala becoming fully commercial, financial arrangements between the then Australian Defence Industries and the Commonwealth could be seen as circular transactions – that is these occurred within the Commonwealth’s financial framework.

However with the introduction of a wholly commercial operation into the equation, accompanied by the Commonwealth’s commitment to a major investment in the facility, the circumstances have changed.

In a commercial environment, a lessee occupies a building and pays the lessor whatever rental has been determined by the lessor. The occupier leases the property for a specified period, and apart from some obligations that the lessor meets, the leasing arrangement generates income for the lessor.

In the case of Mulwala, however, there are some fundamental differences.

The requirement under the Mulwala Agreement for the payment of a capability payment has brought about a situation whereby the Commonwealth receives no benefit in terms of revenue from the lease arrangement.

Where the Commonwealth is now offering the occupier considerably enhanced and more modern facilities to undertake its business, and that existing rental payments made by the lessee appear not to be in line with current market rates, it would be appropriate for the Agreement to be renegotiated by the department to take into account these circumstances.

As the Committee has recommended in its report, the renegotiation of rentals should include an assessment of comparable current commercial market rentals paid for purpose built buildings so as to deliver an enhanced revenue stream to the Commonwealth.

Mr President, the effect of the capability payment on the capacity of the Commonwealth to earn revenue from its investment also extends to other sources of potential revenue.

The Committee was informed at the Inquiry into this project that production at Mulwala is in excess of Defence requirements, to the extent that the lessee has successfully achieved sales in both domestic and overseas markets for surplus product. However, the Commonwealth’s share of this revenue as provided for under the Mulwala Agreement is also subsumed into the capability payment.

Accordingly the Committee has recommended that the ongoing capability payment to the lessee be reviewed on the basis that the lessee is satisfying the requirement that the needs of the ADF have been met, and that there is potential revenue from sales of surplus product for which the Commonwealth should derive a benefit.

Similarly, the Mulwala Agreement determines the share of revenue between the Commonwealth and the operator. In one sense this is an academic exercise since the capability payment absorbs almost all revenue. However, the potential to review the capability payment would provide an opportunity to reassess the distribution of revenue particularly since it is contingent on the Commonwealth’s $338.7 million investment in this project.

In conclusion, Mr President, the concerns of the Committee that I have outlined are contained in recommendations in its report. These are significant issues and the Committee hopes that at the earliest opportunity the department look constructively at our recommendations at a time when the arrangements with the current occupier can be revised.

Finally, it is important for agencies and departments to consider all aspects of expenditure of public monies on projects of this magnitude to
ensure that they deliver value for money to the Commonwealth.

Mr President, having given detailed consideration to the proposal, the Committee recommends that the redevelopment of propellant manufacturing and other specified capabilities at Mulwala proceed at the estimated cost of $338.7 million.

In closing, I wish to thank those who assisted with the site inspection and public hearing, my Committee colleagues, and Secretariat staff. I commend the Report to the Senate.

Question agreed to.

MIGRATION LEGISLATION AMENDMENT (INFORMATION AND OTHER MEASURES) BILL 2007

First Reading

Bill received from the House of Representatives.

Senator SCULLION (Northern Territory—Minister for Community Services) (5.11 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator SCULLION (Northern Territory—Minister for Community Services) (5.11 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

MIGRATION LEGISLATION AMENDMENT (INFORMATION AND OTHER MEASURES) BILL 2007

This Bill is an omnibus Bill which makes amendments to four Acts, all of which contain mirror provisions relating to personal identifiers. The amendments are to the Migration Act 1958, the Fisheries Management Act 1991, the Torres Strait Fisheries Act 1994 and the Environmental Protection and Biodiversity Conservation Act 1999.

The Bill also makes two other amendments to the Migration Act, dealing with movement records, and enforcement visas granted to illegal foreign fishermen.

Schedule 1 of the Bill amends provisions in relation to personal identifiers.

Identifying information provisions were inserted into the Migration Act in 2004. These provisions create a scheme for the collection, access and disclosure of “personal identifiers” in various immigration circumstances. Personal identifiers include photographs, signatures, and fingerprints; and audio and video recordings.

Since the provisions were inserted, it has become clear that there have been some unintended consequences of the access and disclosure provisions which need to be rectified.

The provisions impose criminal penalties in relation to the access and disclosure of personal information, unless that access or disclosure is expressly permitted. It has become apparent that the list of permitted disclosures and access grounds is too limited. My Department’s ability to continue normal working practices is being seriously hampered and in some instances activities have been discontinued as a result. For example, my Department can no longer disclose photos and signatures to investigate and prosecute some Migration Act offences. My Department can also no longer disclose photos and signatures to law enforcement agencies or the Commonwealth Director of Public Prosecutions for the prosecution of crimes that are not immigration related.

An independent review of these provisions is scheduled to commence on the third anniversary of the provisions in the second half this year. It is expected that this review will address many of the difficulties which have been identified with the personal identifier provisions. However, in light of the serious problems presently being faced by my Department, it is essential that certain amendments be made as soon as possible. These are expected to resolve the most urgent problems being experienced.

The proposed amendments will introduce a permitted disclosure ground that mirrors the Privacy Protection and Biodiversity Conservation Act 1999.
Act ground of “reasonably necessary for the enforcement of criminal law”. Without this amendment the Department cannot provide a signature on an incoming passenger card to the Commonwealth Director of Public Prosecutions for drug trafficking cases. This piece of evidence is crucial in establishing when a person charged with such offences arrived in Australia. Several drug importation matters have been delayed because of our inability to provide this information.

The Bill will also allow identifying information to be disclosed where the disclosure is “required by or under law”. Again, this mirrors a Privacy Act ground, and will allow my Department to provide photos of clients in response to search warrants.

There will be a new permitted disclosure ground to allow the Department to send audio tapes and video recordings of client interviews to companies for transcription and translation services. The current provisions mean that this activity is largely being done by staff in my Department. Allowing professional transcription and translation companies to provide these services will result in a more efficient allocation of departmental resources.

The Bill will also permit disclosure of identifying information collected under the Migration Act to the Migration Agents Registration Authority to enable it to continue to investigate complaints into migration agents.

These amendments have been developed in close consultation with the office of the Privacy Commissioner to ensure that they are aligned with the provisions of the Privacy Act.

Similar amendments will also be made to the personal identifier provisions of the Fisheries Management Act, the Torres Strait Fisheries Act, and the Environmental Protection and Biodiversity Conservation Act.

These Acts contain provisions which mirror the personal identifier regime in the Migration Act. The mirror regimes ensure consistency of rules and practices between the four pieces of legislation. This is particularly important in the case of illegal foreign fishers, who may be in detention under the fisheries or environmental protection legislation when brought into Australia, but the legal basis for their detention may change to the Migration Act after a number of days. There is therefore a need for consistency in how identifying information is collected and dealt with under all four Acts. The only amendment to the Migration Act provisions which is not mirrored for these other Acts is that which permits disclosure to the Migration Agents Registration Authority, as this is not relevant to the other portfolios.

In addition to the personal identifier changes, the Bill makes two other amendments to the Migration Act.

Schedule 2 of the Bill deals with the release of movement records kept by my Department. These are electronic records of arrivals in, and departures from, Australia of both citizens and non-citizens.

Under the Migration Act, it is an offence for a person to read, examine, use or disclose a movement record, unless the person has been authorised to do so by the Minister. The Act sets out who may be authorised and for what purposes. It does not allow the Minister to authorise officers to make records available to the person to whom the record relates, or that person’s agent.

Individuals seeking their own records must therefore apply for access under the Freedom of Information Act 1982. There are many occasions where a person’s movement record is required as evidence for health insurance, tax or other purposes. Access through the freedom of information process is unnecessarily complex from a client service perspective.

The proposed amendments to the Migration Act will ensure my Department can respond to client requests for movement records in a more efficient manner.

Schedule 3 to the Bill amends the Migration Act definition of ‘fisheries detention offence’. The definition lists offences specified in the fisheries legislation. Non-citizens brought into Australia under suspicion of having committed such offences are granted enforcement visas. This ensures that while they are in fisheries detention, they are not also in immigration detention.

The Fisheries Management Act was amended last year to add new fishing offences. The proposed amendment to the Migration Act will include references to these new offences in the definition...
of ‘fisheries detention offence’. This will ensure that enforcement visas are granted to non-citizens who have been brought to Australia in relation to these new offences.

I commend the Bill to the House.

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

**MIGRATION AMENDMENT (BORDER INTEGRITY) BILL 2007**

First Reading

Bill received from the House of Representatives.

_Senator SCULLION_ (Northern Territory—Minister for Community Services) (5.12 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

_Senator SCULLION_ (Northern Territory—Minister for Community Services) (5.13 pm)—I table a revised explanatory memorandum to the bill and move:

That this bill be now read a second time.

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

Leave granted.

_The speech read as follows—_

**MIGRATION AMENDMENT (BORDER INTEGRITY) BILL 2006**

Introduction

Australia has the most effective and comprehensive entry system in the world, basing its success on its multi-layered nature. Advance Passenger Processing, which allows an airline to verify a passenger’s visa prior to a flight’s departure to Australia, is one of those components. A universal visa system for all non-citizens entering Australia, including those transiting Australia, is another. At the border, together with the Australian Customs Service performing immigration functions on behalf of my department, we are able to verify, as far as possible, that all non-citizen arrivals have valid visas.

This bill proposes measures designed to further strengthen the integrity of Australia’s borders. Automated border processing systems will take advantage of new technologies, such as facial recognition technology, to enhance the way in which passenger’s identities are verified. This will aid in combating fraud, while expediting passenger processing. The bill also proposes an amendment to the Migration Act 1958 in relation to Special Purpose Visas.

**Immigration Clearance**

The proposal to use automated systems in immigration clearance marks an important strengthening of Australia’s border control measures. At present, the immigration clearance process at the border is performed manually by the Primary Line Officers. However, extensive trialing of the automated border processing system presently in use at Sydney and Melbourne airports, the “SmartGate” system, has proven the viability of using facial recognition and new passport technology at the border.

The proposed amendments are designed to allow for the expansion of SmartGate to all Australian citizens, and selected non-citizens, provided they hold an eligible e-passport. It is a key budget initiative of Government to provide an alternative to manual processing in immigration clearance. The amendments will also support an integrated approach for the use of biometrics in border control, and form part of a broad joint initiative between the Australian Customs Service, the Department of Foreign Affairs and Trade, and my Department.

The number of international arrivals and departures at Australian International Airports is forecast to increase by up to 23 percent by 2009. Automated clearance at the border will allow greater volumes of passengers to be processed, and decrease passenger processing time, while enhancing the integrity of border processing. The facility will aid in combating identity fraud, and act as a deterrent to the use of forged or stolen passports.

The bill will also enable New Zealand citizens who hold an ePassport, to apply for, and be granted, a Special Category Visa using the auto-
mated system, without the need for a clearance officer to be present. New Zealand citizens who do not hold an ePassport will continue to be processed and granted Special Category Visas by a clearance officer.

This initiative is a voluntary alternative to manual processing at the border. Eligible persons can choose whether to use Smartgate, or to be processed by a clearance officer. While the amendments will permit personal identifiers, such as photographs and signatures, to be presented for verification in immigration clearance, they do not authorise the system to collect and store these identifiers. The collection of personal identifiers at the border, where this is permitted by the legislation, may only be done by clearance officers.

**Special Purpose Visas**

Special Purpose Visas are temporary visas which provide lawful status to selected classes of non-citizens allowing them to travel to, enter, and remain in Australia. They cover persons such as crew members of non-military ships, airline crew, guests of Government, and recently, athletes participating in the Commonwealth Games.

Historically, the Special Purpose Visa regime was designed to facilitate the lawful travel and entry to Australia of certain low risk groups of travellers. Stemming from this, Special Purpose Visas are distinct from other visas as there is no visa application process and the visa is granted by operation of law on arrival in Australia.

Nevertheless, there are occasions where it is appropriate to cease a person’s Special Purpose Visa. Most commonly, this is in relation to foreign sea crew who may be considered a risk of deserting a vessel in Australia, or where there is a character or health concern.

The Migration Act currently provides a power for the Minister for Immigration and Multicultural Affairs to make a declaration that it is undesirable that a person, or any persons in a class of persons, travel to and enter Australia or remain in Australia on a Special Purpose Visa. The declaration has the effect of ceasing any Special Purpose Visa held by the person, and preventing the grant of a Special Purpose Visa to such a person.

However, the Migration Act currently operates so that a Special Purpose Visa held by such a person does not cease until midnight on the day on which the declaration is made. This means that the person cannot be detained until the end of the day on which that declaration is made – despite the person potentially posing a risk to the Australian community.

This is of particular concern where, for example, a master of a vessel has reported a crew desertion. In such circumstances, DIMA officers would usually cease that person’s Special Purpose Visa and commence processes to locate that person. However, if the person is found on the day their Special Purpose Visa is ceased, officers cannot detain the person until midnight of that day, and there is a risk the person will abscond.

The proposed amendments would allow the Minister to specify a particular time in the declaration as the time at which the declaration will take effect. The amendments would also provide that the Special Purpose Visa will cease the moment the declaration takes effect. The time specified in the declaration must be a time after the declaration is signed – the Minister cannot specify a time earlier than the time the declaration is signed.

I should add that Departmental officers currently use the declaration power to cease a Special Purpose Visa with great care and based on carefully defined circumstances. In addition, such declarations are often revoked where, for example, further information becomes available to an officer and the person is no longer considered to be of immigration concern.

**Summary**

The measures contained in the bill mark an important strengthening of Australia’s border control initiatives. These amendments are designed to enhance and preserve the multi-layered approach to border control, and to ensure that Australia continues to employ the leading technologies such as facial recognition, to aid in the identification of those who come to Australia.

Debate (on motion by Senator Scullion) adjourned.
AGED CARE AMENDMENT (SECURITY AND PROTECTION) BILL 2007
PRIVATE HEALTH INSURANCE BILL 2006
PRIVATE HEALTH INSURANCE (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2006
Returned from the House of Representatives

Messages received from the House of Representatives agreeing to the amendments made by the Senate to the bills.

PRIVATE HEALTH INSURANCE (REINSURANCE TRUST FUND LEVY) AMENDMENT BILL 2006
Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments requested by the Senate to the bill.

Third Reading
Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.14 pm)—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

COMMITTEES
Australian Commission for Law Enforcement Integrity Committee
Membership
Message received from the House of Representatives informing the Senate of the appointment of Ms Hall and Mr Wilkie to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2007
Second Reading
Debate resumed from 22 March, on motion by Senator Scullion:
That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (5.15 pm)—This bill amends the Farm Household Support Act 1992, the Social Security Act 1991 and the Age Discrimination Act 2004 to allow agriculturally dependent eligible business operators access to the same exceptional circumstances assistance that is already available to farmers who have been adversely impacted by drought. While the opposition supports the Farm Household Support Amendment Bill 2007, we are concerned about whether the initiatives that are proposed in this bill work to give relief, given the dismal failure of a previous attempt to provide relief to drought affected business.

The contents of this bill were announced by the Prime Minister on 7 November 2006—namely, to allow agriculturally dependent eligible business operators access to the same exceptional circumstances assistance that is already provided to farmers. This assistance includes exceptional circumstances relief payments and ancillary benefits, such as a health care card and concessions under the youth allowance and Austudy means tests. This assistance will be made available to eligible business operators until 30 June 2008 unless extended by regulation.

Labor supports the thrust of this bill as regional and rural communities are being affected by the worst drought in possibly a thousand years and it is important that relief goes to where it is most needed, including those businesses directly affected by their community’s suffering through the drought. Forty-four per cent of the nation is declared to be in exceptional circumstances. Labor sees this as a desperate situation for all af-
fected communities. Agriculturally dependent eligible business operators are currently able to access exceptional circumstances relief through ex gratia payments. This bill will formalise this arrangement for exceptional circumstances relief payments and allow agriculturally dependent eligible business operators to access a health care card and concessions under the youth allowance and Austudy means tests.

This bill includes provisions for farmers who have diversified into agriculturally dependent eligible businesses as a drought management mechanism. As these farmers are no longer deriving a significant proportion of their income from their farm, they would not be eligible for exceptional circumstances relief payments as farmers and their continued ownership of the farm assets would affect their eligibility under the business assets test.

The bill provides for farmers who have diversified into agriculturally dependent business to have farm and eligible business assets exempted from the relevant assets and means tests. The bill will apply to agriculturally dependent eligible business operators who derive 70 per cent or more of their gross business income from providing farming related goods and services to farmers in exceptional circumstances declared areas. This assistance will be made generally available to eligible businesses until 30 June 2008. However, to allow for the potential of continuing drought, this bill allows these end dates to be extended by regulation. Labor broadly supports these changes and expects that the government will implement them better than their previous dismal efforts.

It has to be said that it was Labor that put together the first comprehensive drought assistance package in 1992. At that time that drought was the worst on record. In many ways the 1992 drought was a pivotal moment in the history of Australian farming. It caused the nation’s farmers to rethink the way they ran their farms, it forced Australia’s banks to rethink the way they financed agribusiness and it caused policymakers to rethink the way they engaged with the farming community. Labor’s drought package was underpinned by a number of key principles which still stand to this day.

Those principles were: to encourage primary producers and other sections of rural Australia to adopt self-reliant approaches to managing climate variability; to facilitate the maintenance and protection of Australia’s agricultural and environmental resource base during periods of climate stress; and to facilitate the early recovery of agricultural industries consistent with long-term, sustainable levels. Labor’s drought policy reforms recognised for the first time a key principle that also survives to today—that is, despite a strong commitment from farmers toward drought preparedness, severe droughts will occur that the best farmer could not reasonably be expected to prepare for. That is the true meaning underpinning the policy of exceptional circumstances.

A region was declared EC if it could be demonstrated that the drought event was rare and severe and had led to a severe and prolonged downturn in farm income. Labor’s drought policy reforms offered eligible farmers access to exceptional circumstances business assistance, or ECBA. This was given effect to through the rural adjustment schemes, which offered farmers grants or interest rate subsidies of up to 50 per cent for eligible investments to improve the resilience of their farm businesses or to further enhance their business skills. The policy goal of Labor’s early reforms was to facilitate change in the way our farming communities approach the business of farming in Australia. It was about encouraging our farming businesses to operate in a natural climate which
includes extensive periods of intense drought.

Labor’s early reforms also included many initiatives to improve training and skilling of our farm communities in relation to business management and drought preparedness. As a consequence of the 1993-94 drought, Labor recognised that further reform was needed. The then Labor government introduced the drought relief payment, the DRP, which provided farm families with a fortnightly welfare payment commensurate with unemployment benefits. The DRPs were provided to families within the exceptional circumstances declared regions. Like exceptional circumstances, these days the DRP still exists, only now it is referred to as an exceptional circumstances relief payment.

One of the key aspects of Labor’s early drought policy reforms was the introduction of the Income Equalisation Deposit Scheme, which was the precursor to the Farm Management Deposit Scheme. The two schemes have much in common, with a major difference being that the latter scheme was run by the Department of Primary Industries and Energy, while deposits under the FMD are made with private institutions. The idea was to build a scheme so that people could put aside money in the good times without being taxed, and to allow them to draw it down in the bad times. It was a simple idea that has turned out to be a great success.

According to the recent review of the FMD Scheme, as at 30 June 2006 more than 42,000 primary producers held a total of $2.797 billion in the FMD Scheme. Only recently has there been a decline in deposits, and this coincides with persistent poor seasonal conditions across Australia.

It was Labor who introduced the early basis of the Farm Management Deposit Scheme, and it was Labor who initially developed the key principles underpinning drought policy. In May 2006, the National Farmers Federation former policy manager, Mr Peter Arkle, wrote the following retrospective critique of Labor’s 1992 national drought policy in the Farm Policy Journal:

The severe drought of 2002 to 2005 has provided an opportunity to reflect on the contribution of National Drought Policy. Encouragingly, Australian farmers were better prepared than in previous droughts, and there is evidence to indicate that the NDP has played a major role in providing farmers with improved risk information, enhanced farm risk management skills and, to a lesser extent, assistance in building financial and physical risk reserves. This enhanced preparedness also appears to have reduced relative demand for exceptional circumstances assistance, suggesting that farmers are making strong progress towards self-reliance.

It is reasonable to say that, by and large, there has been bipartisan support over the years for drought policy. However, there have been some differences, the most notable of which is the Agriculture Advancing Australia package. Soon after its election in 1997, the Howard government abolished the Rural Adjustment Scheme and introduced the AAA package. The Howard government’s AAA package includes the business assistance and relief payments schemes which Labor introduced; however, it also includes a number of other initiatives, with which the Howard government has had mixed success.

In 2004, the Howard government conducted an independent review of the performance of the AAA package. Across Australia, 2,550 producers were surveyed across 14 different industry groupings. Some aspects of the survey—in particular those relating to exceptional circumstances, the Farm Management Deposit Scheme and family welfare payments—were quite pleasing and corroborate Mr Arkle’s assessment, which I referred to earlier. However, some other results of the survey were quite disturbing. For example, uptake of some of the AAA pro-
grams has been very poor. The survey found uptake across all farm businesses was as follows: Rural Partnerships program, one per cent; Climate Variability in Agriculture program, two per cent; FarmHelp, three per cent; Farm Innovation Program, four per cent; and the Women in Rural Industries Program, four per cent.

The survey made the following key findings. Firstly, there is limited provision in the AAA programs to enhance market related skills for producers or trade readiness for regions and industries. Secondly, work is needed to increase trade readiness of regions and industries in the face of declining commodity prices. Thirdly, participation in the AAA natural resource management courses remained low. Fourthly, there is very poor awareness of the FarmHelp, Women in Rural Industries and Rural Partnerships programs.

Perhaps the most concerning finding of the government-commissioned independent report was this: 25 per cent of producers who believe they would have a significant problem in drought have done nothing about it, and more than 30 per cent of respondents felt they could have been better prepared. That is a policy failure which must be addressed. It must be remembered that the basis for drought policy was to ensure our farming communities and farm businesses are geared toward drought and have a business model which is all about drought preparedness. But the government’s own independent study found nearly one in four farmers have done nothing about it.

I want to turn my attention to the government’s performance in relation small business assistance, in particular the Howard government’s earlier attempt at designing an assistance package for non-farm small businesses affected by drought. The Howard government recognised the need to assist non-farm small businesses back in 2002 and announced the Small Business Interest Rate Relief program. Sadly, the government’s attempt to provide assistance to non-farm small businesses was a dismal failure. The Australian National Audit Office 2004-05 performance audit into drought assistance noted that it was forecast that up to 17,500 applications would be received and that 14,000 applications would be successful. Sadly, however, only 452 applications were received and 182 applications were successful. How is it that so few applications were made? How is it possible that the government could get it so wrong?

What has the National Party done to address this policy failure since its last attempt back in 2002? The fact is that businesses did not access the government’s previous business support program because the government made it too difficult to access. Criticism of the previous program from affected businesses included that small business operators were too busy to complete the forms, the forms were too complex and the effort to complete the forms was greater than the benefit available. Previously businesses found it difficult to prove that 70 per cent of income comes from farm businesses, and this process could be a costly and administratively demanding process for business.

The government needs to ensure that the application process for any assistance is not complicated and tied up in red tape. The government needs to go back to basics on drought policy and ensure that support goes out to those businesses and individuals who are eligible for assistance, and the government needs to get out there and make it easier for them to actually apply for assistance. Drought affected businesses deserve to receive a better go with drought relief than the government provided last time around.

It is time for us all to reflect on what needs to be done to improve drought prepar-
edness in our farming communities and rural economies. Labor believes it is critically important to: improve drought policy communication and information dissemination; increase the number of drought-ready farming businesses; broaden the reach of drought policy to non-participating farms; ensure Commonwealth-state cooperation to drought policy—specifically comprehensive, integrated and consistent implementation of policy within an agreed framework of responsibilities; and better align drought preparedness programs and communication programs with rural R&D corporations.

Exceptional circumstances arrangements should not artificially support producers who are not viable over the short term or reduce the need for responsible risk management. Therefore, we also need to ensure there are positive incentives built into our policy framework to increase the number of drought-ready farming businesses. Labor is prepared to take the hard decisions and engage in partnership with farm leaders and rural communities on the challenges which face them. And drought continues to be one of the major challenges facing rural Australia today.

The drought is not just impacting on our businesses; it is having a major impact on the fabric of our regional communities. Most importantly, we as policymakers must heighten our collective consciences to the greatest tragedy of drought, and that is the loss of life and the loss of quality of life due to mental illness. According to the New South Wales Farmers Rural Mental Health Network, the percentage of deaths from suicide for male farmers and farm workers is approximately double what it is for the Australian male population. There are also a significantly higher number of ‘accidents’—for example, death by firearm and car accidents—occurring in the bush, particularly in remote areas.

Despite the disproportionately high levels of depression and other mental illnesses in rural and remote areas, communities in these areas continue to have poorer access to mental health support. This is a problem that must be addressed as a matter of urgency. In this regard, I wish to draw the Senate’s attention to the outstanding leadership of the New South Wales Farmers Association on this important issue. In response to the increasing despair being caused by the drought in regional New South Wales, in May 2005 the New South Wales Farmers Association held a drought summit in Parkes. Two thousand farmers attended and told personal tales about the significant personal and emotional impacts of drought on their families and friends and communities. This summit was a turning point for rural communities in terms of acknowledging and seeking to address the growing problem of mental illness.

As a result of the summit, the New South Wales Farmers Association brought together a group of key stakeholders in the area of rural mental health to discuss how best to work together to address rural and remote mental health issues. This forum resulted in the creation of a formal Rural Mental Health Network and a New South Wales farmers blueprint for maintaining the mental health and wellbeing of the people on New South Wales farms. The network includes 19 organisations, including St Vincent de Paul, Anglicare, the Salvos, beyondblue, the Black Dog Institute, the Centre for Rural and Remote Mental Health, the Australian Rotary Health Research Fund, the New South Wales DPI, Centrelink, the Country Women’s Association and the Rural Doctors Association. It identifies a number of challenges to be addressed, but the government should be looking at what additional assistance is available to the Rural Mental Health Network and the potential for this model to be scaled up to the national level.
As I have been meeting with our farm leaders in recent months there are two areas of the government’s AAA policy that consistently get a mention. The first is the Rural Financial Counselling Service. After lobbying from farm groups, the government postponed a foreshadowed change to the service until 30 June last year, and consequently last year’s federal budget boosted funding for the Rural Financial Counselling Service. However, this additional support only carries the service through until June 2008. The government cannot simply hope that the drought goes away and then withdraw this vital service. The government should be looking at making a serious long-term commitment to ensure that services provided by rural financial counselling groups around the country continue to be accessible, in good times and in bad.

The other AAA program that comes up consistently is the FarmHelp program. This represents the largest component of AAA and aims to support farmers in managing change. But the message I am consistently receiving from farmers and their leaders is that the eligibility criteria are too rigid. The criteria are so strict, and access to the program is so difficult, that there have been considerable underspends in the FarmHelp program over the past few years. We support the National Farmers Federation call to reform FarmHelp to remove the impediments to farmers wanting to access the program and to increase the level of incentive offered for farmers to take up the FarmHelp re-establishment grant and exit farming.

It is crucial that policymakers keep these important social issues at the forefront of their minds when developing future drought policy frameworks. Why not let this issue become the new benchmark for future generations to determine how successful we have been in learning how to respond to and live with drought?

Last week my office was fortunate enough to have a visit from Mr Brian Egan, the founder of a community initiative called Aussie Helpers. Mr Egan has provided my office with DVDs of case studies of the extent of the despair currently facing rural Australia. I note that Brian Egan appeared on this week’s Australian Story program on the ABC. I hope that my Senate colleagues will join with me in commending Mr Egan and the New South Wales Farmers Association and the Rural Mental Health Network for their leadership on the issue of rural mental health.

There are a couple of issues that I will need to address in the committee stage. Firstly, this bill needs to be amended. While we broadly support it, we will be moving an amendment in the committee stage in relation to the definition of a small business. I will deal with that later.

Let me conclude by saying Labor introduced drought reform policy more than 15 years ago. We will be supporting key elements of drought policy in the future, but more work needs to be done and we intend to be part of it to make sure that the framework for drought policy is more accessible to farmers.

Senator SIEWERT (Western Australia) (5.35 pm)—The Greens are supportive of the Farm Household Support Amendment Bill 2007. However, it raises a number of issues that we think are important and need to be given an airing and discussed. Drought, we know, has a devastating impact on the agricultural community—on farms themselves, on farmers and on their families. Senator O’Brien has mentioned the impact on mental health. Drought also has an impact on small businesses, on businesses within the agricultural community, on towns, on the health of towns and on the environment and natural resource management.
We believe it is important that Australia provides assistance to our farmers and to our rural communities; however, we believe we are ignoring the elephant in the room—that is, that climate change and its interaction with drought has an impact on Australian agriculture and on our farmers. In the second reading speech by the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, Ms Ley said:

The Australian government is committed to building the sustainability of the agriculture sector and providing assistance when it experiences severe downturns during rare and severe climatic events.

We are all witnessing the devastation of the current drought.

We have been in drought for a considerable period of time and it is having a devastating impact, but the Greens would argue that this can no longer be treated as a rare and severe climatic event. We are entering a period of climate change and of greater climate variability than Australian farmers have ever faced before. We need to acknowledge that fact and begin planning to ensure that our policy initiatives of financial support and the incentives we provide to the agricultural community take that fact into account.

I am not convinced that the government has got it yet. I highlight the Prime Minister’s comments that he made on 6 February this year in the House of Representatives when talking about the interaction between climate change and drought. He said:

I do think that the jury is out on the connection between climate change and drought, and that is a view shared by the shadow minister, the member for Kingsford Smith. I thank the House.

The point there is that he has not acknowledged and does not acknowledge the link between drought and climate change, and I am desperately concerned that we will see an ongoing cycle of having to provide exceptional circumstances support to an ever-expanding group of farmers who are increasingly affected by drought that is in fact increased climate variability caused by climate change. It is time that we reflected this in policy formulation and in the way that we structure other programs such as adjustment.

Just last year or in 2005, when Mike Young, then a senior CSIRO scientist, dared to produce a paper looking at the impact of structural readjustment on water reform, he was panned outrageously, I believe, by the now Minister for Agriculture, Fisheries and Forestry, Mr McGauran, implying that he was scaremongering and that he did not have the facts right and questioning how he could attack adjustment and exceptional circumstances. Mr Young was pointing out that adjustment, as it has been carried out in Australia over a number of past decades, was not having the desired satisfactory impact. He had been through the research and established that these adjustment packages were not producing the required and desired policy outcomes.

Mr Young also looked at exceptional circumstances and drought risk. He pointed out that there is a risk that adverse climate change may be mistakenly interpreted simply as prolonged drought, which I think is exactly what is happening. So while we agree that of course right now we need to help our farmers, we also need to acknowledge that we are living in a drying climate and we need to be planning for that. Australia is the driest inhabited continent on the planet. We are going to be subject to climate variability and climate change that will inevitably have an impact on our farmers.

The limited research that has taken place to date indicates, certainly in Western Australia, that farmers are finding it increasingly harder to adjust to climate change. Western Australia—and it is nothing to shout about—is probably being subjected to climate change earlier than the rest of Australia. As I
have said in this place before, the Western Australian government has taken that into account, for example, when planning for our water resources. It is an absolutely documented fact that our rainfall in Western Australia has decreased substantially. Our farmers have been adjusting and adapting to this, but it is reaching a point where they will no longer be able to adapt. So assistance and help are needed in order for them to adjust to these drying circumstances and we need to be looking at that in our policy formulation.

I note that the National Farmers Federation has in fact been calling for a change and an update to the national drought policy and for policy reform. I have been tracing some of the correspondence and some of the public calls that have been put out. I noticed they go back a number of years, so I spent some time on websites today looking at where Australia is up to on that. The latest information on drought policy reform that I could find on the website of the Minister for Agriculture, Fisheries and Forestry was a reference to it in June 2006, when there had been some discussion on drought policy reform but in fact no significant progress. There is no new drought policy in this country. I would have thought that drought in this country would have warranted much more active policy discussion, considering the long-term drought that we are in and also considering the impact that climate change is having on agricultural communities.

It is essential that we start addressing this issue into the long term or we are all going to be in this place every year talking about exceptional circumstances that will no longer be exceptional circumstances. Long-term changes are happening as a result of a combination of seasonal variation and climate change, and they need to be factored into assistance packages and adjustment packages. The Greens will be supporting this particular bill, but we want to see some pretty dynamic change in the way the government addresses climate change. An acknowledgement that there is an interaction between drought and climate change and that we are no longer dealing with rare and severe climatic events would be a good start. We are going to be dealing with frequent, more dramatic events and with long-term change into the future.

This morning a number of senators, I think, and a number of members of the House of Representatives were at a forum, put on by Land and Water Australia, on how farmers are managing climate change. Our farmers are trying to address climate change, but I believe that not enough is being done to help farmers address climate change. In particular, when you look at the more marginal areas, farmers in those areas are going to be hit earliest, are now being hit, and climate change will progressively impact on other farmers in areas that traditionally we have not seen as marginal.

The sooner we get our heads around these facts, the better: we can no longer do business as usual and these will not be ‘exceptional’ circumstances. We need to consider what policy mechanisms are needed into the longer term, including, for example, stewardship support, further and more intense research on alternative crops, and industry development. We need to put money into research into alternative crops and industry development, so that people can have a diversified cropping system but also diversified income sources so that they can deal with climate variation. These are all things that need to be addressed; otherwise, every year we are going to be back here talking about ‘exceptional circumstances’. These circumstances are no longer exceptional; they are the norm, unfortunately.

Senator SANDY MACDONALD (New South Wales) (5.45 pm)—I rise to speak on
the Farm Household Support Amendment Bill 2007. I am pleased that the Greens are going to be supporting this legislation, as is the opposition. I will pick up on a couple of things that Senator Siewert said before I make my contribution.

Certainly, climate change is real, but a drought is a drought, and this, substantially, over the last three or four years, has been a drought. Where I live, we have records that go back about a hundred years, and there have been some very dry times before and, I guess, there will be some very dry times in the future. Every dry time is painful, and I do not think we should forget that. But I do not think we should immediately say that this particular drought is climate change. Climate change is certainly a fact of life, but I do not think we should use climate change as a means by which we can be distracted from an immediate problem.

I might say that, over the last decade—certainly after the drought of 1994-95—on the Liverpool Plains, which is west of where I live, some of the crops that have been grown, particularly with the wheat and sorghum crops are quite remarkable when you consider the amount of rain that has been available to those farmers. They are innovative, and they are using technology and methods of farming which would have been unthought of a decade ago. And it is a great compliment to them that they have been able to adapt and will continue to adapt. The yields of these crops are absolutely extraordinary, so that when they get a good season they will be even better.

I have pleasure in making a short contribution supporting this Farm Household Support Amendment Bill 2007, which responds to the announcement by the Prime Minister on 7 November last year to allow agriculture-dependent small businesses access to the same exceptional circumstances assistance that is provided to farmers more generally. This assistance includes EC relief payments and ancillary benefits such as the healthcare card and concessions under the Youth Allowance and Austudy means tests. Assistance to small business operators will be available until 30 June 2008, unless extended by the government—and I am sure that it would be extended by the government if the need were apparent.

Drought, unfortunately, is part of Australia’s climatic make-up. The resilience of Australian farmers and their commitment to survive under the most difficult economic and seasonal conditions is well understood. The real price of drought can, unfortunately, never be felt by anyone who has not suffered or experienced it. It tears at the very soul of farmers and farming communities, and the impact of climate goes far beyond sound management and commonsense. There are many Australians in rural areas who know the pain that I am talking about. As I have said, I am a farmer in north-western New South Wales and for the last few years we have had a very difficult time.

Governments cannot make it rain, but they can address the needs of the farming community in an intelligent, empathetic and generous way. Our government has certainly attempted to do this consistently since we came to office in 1996, and particularly as the 2001 dry took a grip over much of southern and eastern Australia.

While there are some encouraging signs that the drought may be breaking, it will require some years of above-average rainfall for the watertable to be recharged. And the publicity that is given to the current crisis in the Murray-Darling has made it clear to even the most urbanised Australians that we have a real water problem in this country—a problem which the government is responding to, of course, with its $11 billion package,
which is essentially about using our water with greater accountability and with greater recognition of its value.

As I have said, we must be positive and hope that the skies will soon open to provide relief for the more than 50 per cent of agricultural land across Australia which remains drought-declared. I think I am right in recalling that, as of earlier this week, that now includes the whole of Victoria.

It is vitally important that we support all agriculture in these times of need, because we cannot risk failure. This would lead to a decreased production of food and fibre within Australia, and this would mean that as a nation we would have to import more than we do already—and we would certainly diminish our export potential.

The farm contribution may be only around three per cent of GDP but, in terms of overall employment, export earnings and the way we think about ourselves as an agricultural superpower, the farm sector remains incredibly important to our economic and social wellbeing. As a nation we currently produce over four times more than we can consume and it is economically vital that we continue to grow our export industries as we move into more sophisticated trading arrangements, including FTAs when they are in Australia’s best economic interests.

I commend the Australian government for its contribution to assisting not only those farmers struggling through this drought but also the small businesses in our rural communities, which those of us who come from rural communities understand. We hope that they will be able to access this EC assistance. As at 9 March 2007, the Australian government had provided $1.4 billion directly to Australian farmers since the drought began in 2001. We have committed to providing more than $2.1 billion, but I do not imagine for one moment that, whatever is needed to move forward, the government will forget its farmers and its farming communities, who are reliant on each other. This assistance has helped over 60,000 farm families and has meant that these families have been able to stay in the region and continue farming. The government has also run initiatives such as the drought bus, an excellent initiative which took counsellors and Centrelink drought officers directly to farmers.

This bill recognises the financial hardships of all businesses in our rural and regional communities and that the viability of many agriculturally dependent small businesses is highly dependent on the viability of farm businesses. To confirm what this legislation does—and from the indications given by Senator O’Brien and Senator Siewert I know it will pass—the Farm Household Support Amendment Bill 2007 will allow small businesses to access the same exceptional circumstances assistance that is already provided to the farming sector. This includes EC relief payments and ancillary benefits such as the healthcare card and concessions under the Youth Allowance and Austudy means tests. It is a useful piece of legislation. It meets an undertaking that we made to regional communities. I commend the legislation’s finetuning of the assistance provided to the rural community and I will conclude by saying the government will continue to do whatever it can to soften the impact of the worst drought in our history.

Senator HURLEY (South Australia) (5.54 pm)—I also rise to support the Farm Household Support Amendment Bill 2007. The agricultural sector in Australia is certainly fundamental to our economic wellbeing as well as to our sense of identity and way of life. It is also increasingly important in our guardianship of the environment and deserves support.
Our own state of South Australia, Mr Acting Deputy President Ferguson, is a major producer of agricultural commodities. Its markets are worth $672 million in grapes, $522 million in wheat and $306 million in barley. As well, the fisheries in South Australia contribute significantly, in my view far exceeding their importance in dollar figures. As well as being vital agricultural industries in their own right, these industries are part of the broader regional sector. Unfortunately, in South Australia this is relatively small and we feel the need to nurture it to some extent.

The nature of our produce, particularly that of the wine and seafood industries, provides a focus for tourism in the area as well as supporting many environmental programs and providing an important part of the social fabric of our state. Incidentally, it is also a significant employer of scientific talent. My first job was at an agricultural research centre looking at calf DNA and it probably gave me my first interest in the agricultural sector—although I did grow up in Mount Gambier. My father was one of those small business people whom this kind of bill might have assisted.

So I am well aware of the importance of the full range of businesses in country areas. I know that if the shops, the mechanics, the truck drivers or the fencing contractors are not getting business then that jeopardises all kinds of other services in country towns. Unfortunately, we have already seen many closures of banks, schools and government agencies in country areas. I do not think any of us would want to see the drought impact further on those. As Senator Sandy Macdonald said, all farmers would acknowledge that the services and products of small businesses in regional areas are absolutely critical to the continuation of the contribution that agricultural services make to our earnings and to the social life of our state. Certainly, they are a major contributor to export earnings, and, given our current balance of trade figures, it is very important to facilitate and nurture our exports.

It is often not well understood by some in city areas that in many aspects the cost of living in country areas can be well in excess of costs for town dwellers. Distance can cause high costs for the basics of life such as food and housing. People often think that rural areas have cheap housing, but because of the distance factor housing is often quite expensive in country areas, particularly where there has been an influx of workers, as in the south-east of South Australia: housing is very difficult to find and very expensive for the workers, and this has a great impact on them. Education costs for families can also be very high because children have to be transported long distances or, indeed, need to board in cities to further their education.

Incomes tightening in drought situations can make it very difficult for families to get by. It can be the case that when a large sector of the community—the farmers in the areas—spend less because of the impacts of drought then small businesses in those country towns and those who provide services to the farmers are the first to feel the impacts of that. I am pleased to see that this bill goes some way to redressing that situation and I am pleased that the government has recognised that, in a prolonged drought such as this, small businesses need support as well as farming families.

I support the bill in that it deals with an immediate problem. Like Senator Siewert, I think that the government needs to look at longer term issues as well. The Australian Treasury submission to the Agriculture and Food Policy Reference Group said that the current sound basic framework of the primary industries sector is due to three factors: the floating of the exchange rate, industrial relations reforms and competition policies.
The industrial relations reforms that they are talking about are the reforms that began under the Hawke government, not the recent Work Choices reforms. They were all reforms continued under the Keating Labor government. A lot of those basic factors were in place under a Labor government. While the current Liberal government has managed the economy adequately over the last 10 years, I wanted to recognise that a lot of the building blocks for that were put in place by the former Labor government.

The critical point is that the Australian Treasury submission pointed particularly to productivity growth being required to allow the agricultural sector to continue to have that sound underpinning, to grow in the future and to deal with the challenges that are thrown up to it—whether it be drought, market factors or whatever else. It is a cliche, but I think there is a lot of truth in this: rural industries in Australia lead the world in innovation and self-reliance. They do not get a lot of government support, and they will not under plans to free up trade and to reduce barriers to trade. But they need some assistance from the government—the tools to help themselves and to increase productivity in the sector.

Most people in the agricultural sector that I have talked to talk about adequate infrastructure as being absolutely essential. This is so-called hard infrastructure, like roads, rail and ports, and also a bit of infrastructure that the Labor opposition has been talking about quite a lot recently—that is, information technology and broadband infrastructure. It has been discussed in general terms, but it is as important for the rural sector as it is for anyone else to have access to good broadband infrastructure in order to advance. I am sure that many people all around the states—but certainly in South Australia, where I am getting around to visit some of the primary industries—have been very impressed by the ability of many farmers to take up new technologies and use them to improve their productivity and to deal directly with their clients and their markets.

Where broadband is available, farmers are able to access the latest technology in satellite imaging and in weather forecasting. They are also able to deal directly with their markets; they are able to access information about markets and market conditions; they are able to speak and deal directly with their clients. This is not only farmers; in a lot of the country towns where the local market is very small, many of the small manufacturing businesses we have been talking about, and indeed service businesses, survive only by having access to broadband so that they can sell their products and services to a wider market, whether it is in Australia or overseas, which often occurs. I have been very impressed by the entrepreneurship of many small businesses in regional areas that have a thriving business selling directly overseas in all kinds of niche markets.

Good broadband, as for business anywhere else, is obviously good for both the rural sector and interregional business. That is what the Labor Party is talking about—putting government money in conjunction with private industries to leverage up the amount of money available to ensure that broadband infrastructure is rolled around this nation comprehensively.

It is this kind of long-term thinking that we need to address along with the changes that are outlined in this bill, which go to the immediate solutions to the problem. I am sure that the government are hearing from various groups in the agricultural sector that are crying out for ways to address long-term issues, and productivity is certainly one of the essential elements here, and infrastructure is part of that. It is a bit disappointing that there has not been more of a national
approach to infrastructure issues. While commending the government for providing some assistance both to farmers and to small business, I urge them to now turn their attention to some of these long-term issues that so dramatically affect the agricultural sector in Australia and in my state of South Australia in particular.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (6.06 pm)—I thank the honourable senators who took part in this debate and I thank the Senate in anticipation of the support that the Farm Household Support Amendment Bill 2007 is about receive. As so many honourable senators have already said, this bill will help those small business operators who, due to the ongoing drought, are unable to meet the financial needs of their families. It is correct that this is not the first time this government has offered drought assistance to small business operators, but it should be noted that this program is very different to the one offered in 2002. During this debate it was mentioned that the assistance on offer in 2002 had low uptake rates and had a number of concerns raised about it by the small business community. However, based on that which we learned from the prior assistance measures and the expertise that has been gained from delivering exceptional circumstances assistance to farmers, this program is more in touch with the needs of agriculturally dependent small business operators. To put it simply, we have learnt from our past experience and are willing to tailor this program accordingly. This program will provide more value to small business operators.

The exceptional circumstances program for agriculturally dependent small business operators mirrors what is already in place for farmers. What we see in this bill is just one component—income support. There is also business support or interest rate subsidies on offer for eligible small business operators. In the 2002 small business program, only business support was available to small business operators suffering because of the drought. Interest rate relief was available only on loans of up to $100,000, meaning that a maximum of $10,000 over two years could be received. Small business operators can now get interest rate subsidies on all their commercial debts up to a maximum of $100,000 a year, just like farmers.

The 2006 assistance program also offers something new to small business operators—the income support outlined in this bill. On top of receiving funds to help meet the financial obligations of their business, agriculturally dependent small business operators may be able to receive up to $760 a fortnight for income support to help meet their household expenses. Those receiving income support can also access ancillary benefits such as a health care card and concessions under the youth allowance and Austudy means test. The program has been well received and it is already proving successful. It is expected that around 5,000 small business operators will be able to access this exceptional circumstances assistance. While I obviously cannot guarantee that exactly 5,000 people will walk through the door to get the assistance, as it is a demand driven program, I can say that we are well on the way towards achieving our target.

Since the program was announced in November 2006, approximately 1,500 applications for exceptional circumstances assistance from small business operators have been received. This figure is increasing at an amazing rate. On 13 February this year, the number of applications was around 800. In effect, in the last five weeks, application numbers have doubled. As more and more small business operators become aware of the assistance they can access, these figures will continue to grow. I expect that the number of applicants will increase following the
recent advertising campaign and the continued good work of the drought bus.

Similarly, since November 2006, over $5 million has been provided to over 280 applicants at an approval rate of 69 per cent. In the last five weeks, the funds allocated to small business operators have almost trebled from $1.6 million. Based on these figures alone, the small business assistance program is performing better than the previous scheme, where we had 452 applications, 152 recipients and $1.1 million over the life of that program. You do not need to just take my word for it; the feedback we have received from the industry supports this initiative and confirms that the interest rate subsidies and relief payments are very valuable forms of assistance.

Questions have also being raised about whether this new program is getting to the right people. As I have already pointed out, the uptake rate of small business exceptional circumstances assistance has been very good. Of course, the approval rate will not be 100 percent as there are people out there who have not been able to access the assistance for a number of reasons. I can confirm that the two main reasons that small business operators are not able to get assistance are: they are not providing goods and services for the purposes of farming activities, or they are not in financial difficulty and are still trading profitably. Those small business operators who are unable to get assistance because they are not agriculturally dependent should be aware that they will indirectly benefit from the assistance provided. Providing assistance to both agriculturally dependent small business operators and farmers will have flow-on benefits for townships as they will continue to provide essential services and have some income to spend in other local businesses. We are already seeing a shortage of skilled workers in rural areas, and also young people from rural areas are being lured away to the city. By supporting small businesses in rural areas, we can reverse the current trend—because we all know that, once people leave regional Australia, it is very hard to get them back.

While farm businesses have been the first group to experience the effects of the worsening drought, agriculturally dependent small businesses in drought affected areas are definitely experiencing hardship as well. We as a government recognise that, without the assistance provided by this bill, the ability of some small businesses to service rural and regional communities may be at risk. Government and industry are working together to move the drought policy towards drought preparedness. All agriculture ministers—federal, state and territory—have focused their efforts on immediate assistance and will return to drought policy reform once the seasonal conditions allow their recovery processes to commence. I am sure that we are all hoping and praying that that may be as soon as possible. I thank honourable senators for their support and contributions on this bill.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator O'BRIEN (Tasmania) (6.15 pm)—by leave—I move opposition amendments (1) to (3) on sheet 5221 together:

(1) Schedule 1, item 4, page 4 (line 6), omit “small business”, substitute “eligible business”.

(2) Schedule 1, page 3 (line 2) to page 15 (line 28), omit “small business”, (wherever occurring), substitute “eligible business”.

(3) Schedule 1, page 3 (line 2) to page 15 (line 28), omit “small businesses”, (wherever occurring), substitute “eligible businesses”.

CHAMBER
The opposition seeks to amend this legislation not to alter its impact but to more accurately reflect the sort of description of the businesses which are intended to be assisted. The Australian Bureau of Statistics definition of a small business is one comprising one to 19 employees. Certainly, in rural and regional Australia, it is our view that there are very few businesses approaching 100 employees that would be considered, by any stretch of the imagination in the regions and the economies in which they trade, to be small businesses. The definition proposed—that is, the extension from 20 to up to 100 employees—is not something with which we will quibble. For example, it could be a business with 21 or 25 employees which is in difficulty.

We are not aware of businesses trading in rural and regional Australia with anything approaching 100 employees that would be seeking assistance under this legislation. We believe in accurately reflecting the impact and not discouraging businesses from applying because they would have to almost survive the laugh test in their regions in saying they were small businesses when, in fact, they were the largest in the town. To reflect this, the amendments change the term in the definition from ‘small business’ to ‘eligible business’.

We are not quibbling with the size of businesses being eligible. We suggest that it is in the interests of accuracy to reflect the types of businesses concerned. Also, it does not put those businesses that are never going to be considered small business in these economies in the invidious position of having to claim themselves to be small business to gain assistance. These amendments ought to be supported and we think that it would be a simple proposition for the government to support them. If these amendments are defeated, we will support the legislation but we think it will place some businesses in regional economies in an invidious position, claiming under the legislation to be something that no-one in their community believes they are.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (6.18 pm)—The government opposes the amendments. The history of this is that, as I understand it, when we originally talked about the legislation and announced our intention, the number was 20 for the definition of a business that might be affected and then the Prime Minister announced in January of this year that that figure would be raised to 100. While most agriculturally dependent small businesses in rural and regional Australia only have up to 20 employees, there are a number of cases where the drought is severely impacting on larger small businesses that rely on farm activities.

The main group of business operators that will benefit from the change of criteria are those that have businesses in multiple locations. For example, there are a number of farm machinery retailers that have sites in three or four locations in a region, which means they inevitably have more than 20 employees. Due to the widespread nature of this current drought, all of the areas that the multi-location businesses are in are experiencing financial difficulties. The change in criteria recognises the important role these companies play as well in regional and rural Australia. By committing to help these small business operators, the Australian government is making sure the services for farmers remain as well as securing employment opportunities in the towns that support the agriculture sector and strengthening the communities more broadly.

The impact of Senator O’Brien’s amendments is to change the term ‘small business’ to ‘eligible business’. Then, as I understand it, the eligibility would simply be based on
the numbers that are in the clause as opposed to the other criteria. It seems that you would then only have to meet the criterion of the numbers in order to be eligible. This is not the case as there are a number of qualifying criteria as well as an asset and income test. That being as it may, the real test is: are these rural and regional communities doing it tough because of drought? Unequivocally and absolutely yes. We as a government recognise it. When we initially announced this in November last year, we thought an appropriate scheme would be to limit it to about 20 employees. Over the Christmas period we got feedback that that would, unfortunately, provide restrictions in certain areas and that is why the Prime Minister announced in January the change to 100.

At the end of the day, the question the opposition and indeed the Senate need to ask is: do we really want to limit and stop businesses from benefiting on the basis of the artificial number of 20 or are we acknowledging that they are doing it tough? There are some small businesses that are multi-located in various areas within drought affected regions that are clearly over the 20 figure and we do not want to disadvantage them. From the government’s point of view, we want them to get the benefits of the assistance that we have on offer, keeping in mind that the assistance that we provide will have the added benefit of the flow-on effect within these devastated communities. I urge all honourable senators to reject Labor’s amendments.

Senator O’BRIEN (Tasmania) (6.23 pm)—I must admit that I do not understand how the advisers could interpret those amendments in the way that they have, because all we do is replace the words ‘small business’ with the words ‘eligible business’ wherever they occur. We do not take anything out and we do not qualify the matter. In the definition we change ‘small business’ to ‘eligible business’ and that is all. I do not understand how it could have the purported effect the minister suggests.

We have not in any sense suggested that we would not support the provisions. We thought that in some areas it would, frankly, render a significantly sized applicant subject to perhaps negative comment or even derision when it claimed to be a ‘small business’. But we are not going to stand in the way of assistance for those businesses. That is what I tried to make clear when I put the initial proposition. We think this is good policy. We do not want to exclude businesses because they have 21, 25 or 33 employees. We suspect that there will not be too many with anything like 99 employees, but were they in circumstances to apply we think that if it were to be known in their communities that they were applying as a ‘small business’ the community would be amused. They would not consider them to be a small business.

That is all we were trying to do. We will be voting for these amendments, but if they fail we will be voting for the legislation because we do not want to stand in the way of this provision. But we do think it is not too much to ask the government to accept those amendments. They would not have anything like the effect the minister suggests they would have.

Question negatived.
\Bill agreed to.
\Bill reported without amendment; report adopted.

Third Reading

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (6.27 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
NOTICES
Presentation
Senator JOYCE (Queensland) (6.27 pm)—by leave—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes that 25 March 2007 was the 200th anniversary of the passing of William Wilberforce’s bill for the abolition of the trans-Atlantic slave trade;

(b) commends the Government for continuing its work to eradicate the modern day version of slavery, the trafficking of humans for the sex industry in Australia; and

(c) congratulates the Australian Catholic Religious Against Trafficking in Humans for its work in the fight against trafficking, including its publication warning women in Thailand about the dangers of working in the Australian sex industry.

MIGRATION LEGISLATION AMENDMENT (INFORMATION AND OTHER MEASURES) BILL 2007
Second Reading

Debate resumed.

Senator LUDWIG (Queensland) (6.28 pm)—I rise to speak on the Migration Legislation Amendment (Information and Other Measures) Bill 2007. This bill seeks to make several simple amendments, if we could call them that, to the Migration Act to broaden the ability of the Department of Immigration and Citizenship to access and disclose personal identifiers in a way that is consistent with the Privacy Act provisions. The amendments proposed are not in themselves controversial but they are nevertheless important amendments. What is controversial is the bizarre delay in the government introducing this bill. The delay has had far-reaching consequences not only for the day-to-day running of the Department of Immigration and Citizenship but also on the ability of law enforcement agencies to investigate and prosecute crimes such as people smuggling.

This bill attempts to achieve three main objectives. It seeks to widen the scope for disclosure of identifying information in certain circumstances. It seeks to enable people to access personal records held by the department that relate specifically to them. And it seeks to incorporate new fishery offences introduced last year. I will deal with each of those objectives in greater detail as this debate proceeds.

In terms of the first objective, the bill attempts to fix some unintended consequences of some amendments in 2004 to the Migration Act regarding protection of privacy. The department may recall—although the faces have changed, by the look of it—that in 2004 the Migration Legislation Amendment (Identification and Authentication) Act was passed by parliament. This act introduced a regime for collection, access and disclosure of personal identifying information of noncitizens collected by the department. The situations in which such information is collected include: when people are applying for an Australian visa, when people are going through immigration clearance, when a noncitizen is put into immigration detention and when a person is suspected of being an unlawful noncitizen. The 2004 amendments prohibited non-permitted access or disclosure was deemed to be a criminal offence that attracted up to two years imprisonment. But, in another example of this government falling short of the mark, the measures introduced ended up being overly restrictive.

The bill before the parliament now widens what is lawful disclosure for identifying information. Three new exemptions to unlawful disclosure are proposed that bring the
Migration Act in line with the Privacy Act 1988. The first is where a person who accesses the information believes on reasonable grounds that the access or disclosure is necessary to prevent or lessen a serious and imminent threat to the life or health of the person or of any other person. This provision would apply, for example, where there has been a threat against an immigration official or the Australian embassy, and the department held a photograph of this person. Then the amendment would allow the department to provide that photograph to the AFP to assist them in investigating the threat. The second exemption is where the disclosure is reasonably necessary for the enforcement of criminal law of the Commonwealth or of a state or territory. Hence, this amendment would fix the current problem whereby the department cannot disclose a signed incoming passenger card to the AFP or the Commonwealth DPP to assist with cracking down on people who might be up to no good, such as drug smugglers. The third exemption is where the disclosure is required by or under a law of the Commonwealth or a state or territory. This amendment is primarily designed to allow the department to provide identifying information in response to search warrants issued by a state or territory agency.

These amendments also amend mirror provisions in the Fisheries Management Act 1991, the Torres Strait Fisheries Act 1984 and the Environmental Protection and Biodiversity Conservation Act 1999. The reason such mirror provisions exist is that, according to the explanatory memorandum, illegal fishers may be detained under any of these three acts but then the legal basis for their detention may shift to the Migration Act, under which they are then detained.

There are several other amendments provided by this bill to what is a lawful disclosure that go beyond the Privacy Act, but it seems that the case has been made that, nevertheless, they are thought necessary. That occurs where the disclosure is to a Commonwealth, state or territory agency for the purpose of verifying that the relevant person is an Australian citizen or holds a visa of that particular class. For example, many social security benefits require the recipient to provide evidence that they are an Australian citizen. Another such ground where it is thought necessary that that information may be able to be shared is for the purpose of investigations of the Privacy Commissioner or the Ombudsman relating to any action taken by the department. In addition, it may be disclosure of audio or video tapes for the purposes of the Migration Act or the Citizenship Act, which I understand the department says is for the purpose of utilising transcribing and translating services. It may also be for the purpose of facilitating or expediting the exercise of powers or performance of functions of the Migration Agents Registration Authority, commonly known as MARA, to investigate complaints into migration agents.

Allowing people to access their own movement records is the next area I will deal with. Schedule 2 of this bill enables the department to disclose to a person or to their appointed agent their own movement records, rather than requiring them to apply for access pursuant to the Freedom of Information Act. That would seem a sensible thing to be able to do, quite frankly—and if the department missed it in 2004 then it really is lucky it has got a change of face now. This amendment is designed to help both applicants and the department by allowing the department to provide people with their own movement records—which they may need, for example, for tax or health insurance purposes—so that the applicants need not apply under the FOI Act for access to those documents. If there is a committee stage on this bill, the government might like to indicate
then how many times that has had to be undertaken and what cost has been shifted to people for that. I will foreshadow those questions so that we might have an opportunity to get some answers—I thought I might make sure you have to work this evening, Parliamentary Secretary Mason!

The application process under the FOI Act is far more complex and the retrieval process is unnecessarily resource intensive for the department. Hence, the explanatory memorandum states that this bill will allow the department to retrieve the information more efficiently for the client. Those areas do provide a greater responsibility for the department in that instance too, because the department has to consider more broadly the issues of how it handles that information, how it then provides it to the relevant people and how it ensures that privacy is maintained.

Schedule 3 is a technical amendment to the Migration Act that merely alters the definition of a ‘fisheries detention offence’ to include new fisheries offences introduced in 2006 to ensure that those arrested for committing the new offences receive an enforcement visa on arrival to Australia. It is clear that some of these matters were not fully thought out right back from 2004 till now. On one hand it is encouraging to see that the department is slowly moving, ensuring that these matters are now rectified. It would be interesting to know when the department first became aware of some of these issues and how long it has taken the matters to come to light. We already know that there has been delay in introducing these laws and, given the serious consequences for criminal investigations and prosecutions, that is difficult to understand. It has taken the government 2½ years to remedy these problems and one would have thought that it should have taken less time than that. There may be reasonable explanations, of course. The department may have been very busy during that period. I do recall some certain significant events over the last couple of years which have kept them busy. They do have a new name too—‘people are our business’—so hopefully they will be able to assist people with this new bill when it becomes an act.

In his second reading speech for this bill the new Minister for Immigration and Citizenship, Kevin Andrews, outlined the havoc created by these laws. It is unusual for a minister to do that, but he did take the opportunity to say that the department has stopped disclosing photos and signatures that would help in investigating and prosecuting Migration Act offences. He said that the department no longer discloses photos and signatures to law enforcement agencies such as the Australian Federal Police or the Commonwealth Director of Public Prosecutions for non-immigration related crime. For example, the minister stated that several drug importation matters ‘have been delayed because of our inability to provide this information’. He said:

My department’s ability to continue normal working practices is being seriously hampered and in some instances activities have been discontinued as a result.

Those were the words of the minister in his second reading contribution. The minister also stressed in his second reading speech:

... in light of the serious problems presently being faced by my department—

and it is not only in this area, I presume, but I suspect he was talking about this bill—

it is essential that certain amendments be made as soon as possible.

The legislation that caused this raft of problems was introduced in 2004. According to the Parliamentary Library Bills Digest, these problems started to emerge by late 2005. It is now March 2007 and rapidly approaching April.
When the Labor spokesperson for immigration, the member for Watson, Mr Burke, demanded to know why it had taken such an awfully long time to make basic amendments to the Migration Act to rectify serious problems that had arisen from the 2004 amendments, all the member for Moreton, Mr Gary Hardgrave, could retort was, ‘The process of drafting is always subject to the other priorities of the parliament.’ That does seem a very bureaucratic answer, quite frankly. It is not one that I would have expected Mr Hardgrave to make. For a government that claims it is proactive on border protection, people smuggling and national security, it really is an appalling excuse especially given the work that the department had gone through post Vivian Alvarez, Cornelia Rau and the Palmer review—and I will not go to all the matters that surround those. But in the final report—and I would be happy to be corrected here—I recall Mr Palmer trying to implement a better proactive approach to be able to identify and use data more effectively, especially the ability to have photographs and signatures available. In a more general sense one would have thought that the government would have moved a lot quicker to rectify these areas, if that were the case.

I would hope that in the second reading debate in the Senate the government can say that it has learnt its lessons from those earlier experiences. It concerns me that this may not be true. The government has repeatedly proven its incompetence when it comes to immigration matters. There have been numerous stuff-ups in the department revealed in the media over recent years. The examples of delay in fixing basic problems add to this growing list of sorry failures.

People smugglers put the lives of desperate people at risk on the high seas. Labor wants to make sure that the people responsible for such an ugly trade are met with the full force of the law. The same goes for illegal fishers and drug smugglers, may I add. When personal identifiers have to be withheld from agencies that are investigating serious crimes, whether they are immigration related or not, this government should be concerned about their credentials, quite frankly. It is disgraceful that people breach our border unlawfully or smuggle drugs and convictions do not happen because the government could not be bothered to introduce legislation that makes simple amendments that rectify the situation. Labor wants to ensure that the need for swift access and disclosure of such documents for the purpose of prosecuting crimes such as people smuggling is balanced against the need to prevent unwarranted breaches of privacy. Labor agrees with the government: this bill does reach an appropriate balance.

Labor is and remains shocked, though, at the delay in the introduction of such basic legislation to amend a problem that has caused enormous delay in the prosecution and investigation of crimes. We note that this is an election year, and we can only surmise that this is the reason why the government is moving so rapidly considering its slow pace up to now after a wait of more than a year. If we may provide any sage-like advice, we ask that the government, whenever such problems again come to light in the future, promptly introduce legislation to fix them and not leave its departments and the AFP, as well as other important bodies affected by defective legislation, in the lurch. I add, in conclusion, that Labor welcomes this bill.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.45 pm)—I thank Senator Ludwig very much for his contribution to the debate on the Migration Legislation Amendment (Information and Other Measures) Bill 2007. His conceptualising of the bill as access versus privacy is an aspect
that I enjoy, one that we have seen a lot of in this parliament in recent times. I will come to the point that Senator Ludwig raised about the costing implications in a minute.

This bill amends the Migration Act 1958 and mirrors provisions in the Environment Protection and Biodiversity Conservation Act 1999, the Fisheries Management Act 1991 and the Torres Strait Fisheries Act 1984 to address serious limitations in the provisions to limit access and disclosure of identifying information. Senator Ludwig touched on that.

Identifying information includes personal identifiers such as a person’s photograph, fingerprint or signature. Under all four acts, it is an offence to access and disclose identifying information unless the access or disclosure comes under a list of permitted accesses and disclosures. The limited grounds upon which this information can be accessed and disclosed is affecting the Department of Immigration and Citizenship’s ability to continue a range of normal working practices such as disclosing photos and signatures to other agencies—an issue we have touched on many times in recent weeks in this parliament.

The bill addresses this problem by adding some additional access and disclosure grounds to the four acts. These additional grounds are targeted at alleviating the most pressing difficulties being experienced under the current arrangements. For example, access and disclosure will be permitted where it is done to prevent or lessen a serious and imminent threat to life or to health. The Department of Immigration and Citizenship will be able to disclose identifying information to the Migration Agents Registration Authority to assist in investigations into complaints against migration agents. Disclosure of identifying information to the Commonwealth Director of Public Prosecutions will also be permitted, to assist in investigations and prosecutions.

The amendments in the bill to replace ‘noncitizen’ with ‘person’ in various disclosure grounds is to ensure that a permitted disclosure can still occur after the noncitizen from whom the information was collected has indeed become a citizen. However, the act will continue to allow personal identifiers to be collected only to identify noncitizens.

To follow up Senator Ludwig’s point, this bill will also broaden the ability of the Department of Immigration and Citizenship to disclose to a person that individual’s movement records, thereby avoiding the need for the person to access their records through the freedom of information process. This will greatly improve the service that the department can provide. The government, as I understand it—and this is in answer to your question, Senator Ludwig—has not costed the implications of this. This bill will also amend the definition of ‘fisheries detention offence’ in the Migration Act to ensure that enforcement visas are granted to noncitizens who have been brought to Australia in relation to new fisheries offences recently incorporated into fisheries legislation.

In summary, by expanding the currently limited grounds upon which identifying information can be accessed and disclosed, we will improve the efficiency of operations within the Department of Immigration and Citizenship. The bill will also enhance client service by enabling the disclosure of an individual’s movement records to the individual to which they indeed relate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.
DOCUMENTS

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

Migration Act

Senator BARTLETT (Queensland) (6.50 pm)—I move:

That the Senate take note of the document.

This document comprises a couple of tabling statements of decisions made by the Minister for Immigration and Citizenship under section 46A of the Migration Act. It is probably quite apt in a way that it is dealing with migration matters, as it is flowing straight on from the legislation we have just considered regarding privacy matters and the disclosure of information. Section 46A is one of a number of sections of the Migration Act where the minister has a discretion, if they so choose, to lift the bar, as the jargon goes, to void requirements. Section 46A means that a person who is an offshore entrant, an unlawful noncitizen and in Australia cannot make a valid visa application. It is a way of preventing people who are offshore entry persons from applying for asylum. These are people who arrive at islands outside the migration zone, for example.

Section 46A allows the minister, if they believe it is in the public interest, to give written notice to that person that the bar on making a valid application can be lifted, and when they do so the minister is required to table a statement in each house of parliament setting out that determination and the reasons why they believe that doing so is in the public interest. There are a range of other sections that also do this, such as section 351 and section 417, for example. All of them have minimal information. Indeed, I recall that the last wad of those statements that were tabled contained many hundreds. They can be all tabled at once and they are almost indistinguishable from each other. Sections 33(2)(b) and 48B of the Migration Act also have a similar sort of requirement. They are actually of no value in terms of scrutiny.

In my experience these statements are not normally tabled as documents in this way; they are simply tabled with other government documents, such as regulations and the like. These two particular statements simply state that the former minister has exercised her powers under section 46A of the act, that the circumstances of the cases were such that they were considered to be offshore entry persons and that the minister considered her determinations to be in the public interest. The statements do not set out the reasons for the determinations at all, which is certainly against the requirement of the act.

Having said that, I am actually quite pleased because the exercise of these powers, as has occurred, has allowed the individual and the family involved to make valid protection visa applications. After the debate we have just had about privacy and the disclosure of information, it is interesting to note that section 46 of the Migration Act requires that any statement tabled in the parliament must not include the name of the offshore entry person or any information that may identify the offshore entry person. That has not happened in these statements; as usual, there is virtually no information at all. But I have noticed that the names of the individual and the family to whom these statements apply appear on today’s Order of Business. That is a curious development, and it is perhaps an indication that the unintended disclosure of information is a little easier than people might assume, despite all the assurances we just heard from the minister in the last debate.

I am pleased that the individual, who was detained on Christmas Island, and the family, whom I met in Brisbane last year, are people
about whom I made representations to the minister. I am very pleased that the former minister chose to exercise her discretion in that way. It has enabled these people to make applications, and hopefully they will be found to be valid so that they can get on with their lives. But it is curious that their names are listed on the Senate Order of Business as presumably being the individual and family that these statements apply to. I draw that to the attention of whoever’s attention it needs to be drawn to—presumably, the minister and the department. I ask them to clarify what has gone on there and why they have done that on this occasion. I do not imagine it is going to cause any major drama, but if we have these provisions in the act that say people should not be identified then I think it is important that they be complied with. (Time expired)

The ACTING DEPUTY PRESIDENT (Senator Moore)—The issue you have raised has been noted and action will be taken to remove those names.

Question agreed to.

Superannuation Co-Contribution Scheme

Senator WATSON (Tasmania) (6.56 pm)—I move:

That the Senate take note of the document.

The latest quarterly report by the Australian Taxation Office on the Australian government’s superannuation co-contribution scheme for the period 1 October 2006 to 31 December 2006 is very welcome news in that it confirms previous reports as to the success of the scheme in attracting additional personal contributions to the superannuation savings of so many Australians.

Back in November 1995—and that was quite a while ago—I was Chair of the Senate Select Committee on Superannuation. The committee was very concerned and believed there was a need to promote the need for urgent action towards overcoming the poor superannuation savings of particular groups in our society. The committee issued a report entitled Super and broken work patterns at that time. It looked at the difficulties faced by groups of people such as women who were unable to maintain constant work patterns because of child-bearing or other family reasons. The success of superannuation is dependent on regular contributions over a 30- to 40-year timescale, with the magic of compounding growth giving rise to hopefully a satisfactory level of retirement income. This report looked at the lower income groups in general and tried to address some of the challenges which the set-up of superannuation placed in the way of so many people being able to accumulate sufficient retirement income to ensure a comfortable lifestyle in retirement.

One of the main recommendations of that report was that measures be taken to redress the tax imbalance experienced by low-income earners. By introducing the co-contribution scheme for low-income earners the coalition government has not only redressed the balance but also taken a major positive step towards encouraging people in this situation to contribute towards their own superannuation. Initially the scheme offered dollar-for-dollar matching of contributions, up to a maximum of $1,000. The scheme has now been made even more generous. It currently offers a co-contribution of up to $1,500 a year to match contributions of $1,000. Of course, there is a sliding scale depending on the level of income.

As many commentators have noted, and as I have on many occasions, this co-contribution scheme must be one of the best investments available to anyone at the moment. Thankfully, many Australians have grasped the opportunity to build their superannuation savings through this scheme. I note that many of the major industry funds
are advertising the benefits of this and encouraging many of their members to take up this government offer. I am also pleased to note that over 30,000 people in my home state of Tasmania have received co-contributions and boosted their potential retirement incomes accordingly.

The success of the scheme was indicated in the first three years of its operation. Government contributions now total something like $2 billion. It is a very significant and worthwhile amount. Many of these contributors will be people earning their incomes through broken work patterns and through part-time, seasonal or other irregular work. Many will be women whose past work patterns may not have given them an opportunity to build up good superannuation savings and they are now able to boost these savings with the help of this generous scheme.

I note that the recent major superannuation reforms announced in last year’s budget included the ability for self-employed people to contribute to and benefit from this scheme from 1 July this year. This is a very positive step forward. This report shows that Australian workers are continuing to accept this scheme as a winner. With the government contributing $1.50 for every $1, this is indeed good news for superannuation savers in Australia.

Senator BARTLETT (Queensland) (7.01 pm)—I would like to speak to this quarterly report on the superannuation co-contribution scheme. I note Senator Watson’s comments about the origins of the scheme back in 1995 and the work of the Senate Select Committee on Superannuation. I am not sure who the Democrats’ representative on the committee was at the time. I suspect it was Senator Cheryl Kernot. She certainly played a pivotal role in the expansion of superannuation back in the time of the Labor government. I think the Democrats’ contribution should be acknowledged.

I also note the contribution of the Democrats to the co-contribution scheme in general when it was expanded after the 2003 budget. That was the period when I was Leader of the Australian Democrats and I think Senator Cherry, from memory, covered the superannuation area for the Democrats. The Democrats were pivotal in getting changes to what the government put forward initially in their budget in 2003; and the result was a significant cut to the then high earners’ superannuation guarantee levy, I think it was called. At the time, the Democrats were pivotal in reducing the proposed tax cut for higher income earners and putting the savings instead into government support for low-income earners who would be putting contributions into their superannuation.

I am very keen to put on the record the Democrats’ legacy and our pivotal role in redirecting resources that were to go to a big tax cut for the highest income earners and channelling it towards lower income earners and, at the same time, via that mechanism, encouraging them to increase their superannuation contributions or, in many cases, I imagine, start their own superannuation contributions. It has been a bigger success than anybody anticipated. Certainly the figures detailed in this quarterly report indicate that it is far more successful and, therefore, from the government’s point of view, far more expensive than they initially expected that it would be. It has since been expanded, as Senator Watson said, from that dollar-for-dollar matching to a $1.50 for $1 benefit. That was done in the following budget, in 2004. I think it is important to note the Democrats’ role in laying the groundwork for that co-contribution. It was our support that enabled it to happen, because it was opposed at the time by the Labor Party and by the Greens.
In looking at the document tabled yesterday, we can see that, just in that quarter from 1 October to 31 December last year, nearly three-quarters of a billion dollars have been paid out of government funds to low-income earners. That is obviously money that will assist in building up not only those individuals’ superannuation savings but also savings in general in the community. Looking back to the annual report that was tabled towards the end of last year, the total of superannuation co-contributions for the financial year 2005-06 was very close to a billion dollars—that was provided to people who were earning less than $40,000. That was expanded so that people could get a partial entitlement up to $58,000. As Senator Watson said, a higher than average proportion of those people are women and people who, by definition, have lower incomes. I think it has proven its worth.

The total amount of $742 million so far in that quarter that I referred to suggests that this financial year it will probably go over the billion-dollar mark of extra support for low-income earners to boost their superannuation savings. Whilst there are some issues with regard to equity, I think it is far more equitable than the alternatives that were around previously and will certainly massively boost savings for many people who otherwise would not have much in the way of superannuation. We all know that there is still a significant shortfall for many people, but this will go a long way to improve that and I am pleased that the Democrats have played a role in making that happen.

Question agreed to.

Consideration

General business orders of the day nos 12 to 14 and 16 relating to government documents were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! It being 7.07 pm, I propose the question:

That the Senate do now adjourn.

Children and Sport

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (7.07 pm)—I wish to raise in the chamber today an issue of utmost importance, not just to the families of Australia but to the country as a whole. There is a massive problem in Australia with the lack of involvement of our young people in organised sport and fitness. Too much time is being spent in front of the TV, PlayStation or computer and not enough at sporting fields, ballet halls and swimming pools. When you ask young children what their favourite game is, many will reply PlayStation 3 or Nintendo. Gone are answers such as cricket, footy, netball or even marbles. This lack of involvement is being caused by a number of things, including the length of the working day for parents, the high number of children in after-school care and the fear of many parents of injury or harm if their children are not safely seated in the lounge room.

However, one of the biggest factors in this whole debate is the rising cost of participation in children’s sport. At the moment, most parents are signing up their children for winter activities such as soccer, football, netball or hockey. It is not unusual for families to be faced with a bill of over $100 for each child just for the opportunity to be part of a team—that is, before uniforms and travel costs are included. Individual sports such as swimming, dancing and athletics are even more expensive, yet the value from a public health point of view of young people being physically active is huge. If children are not involved in some form of organised physical
activity, there are severe implications for their weight, self-esteem and wellbeing.

Much has been written in the media about the physical implications for the nation’s children of obesity, including diabetes, heart disease and early onset of puberty. The mental implications of childhood obesity are also very important. The lack of self-esteem and the self-loathing and doubt that can be manifested by overweight and obese children and teenagers affects them for the rest of their lives. The most recent focus has been on the food that our children eat, on the influence of fast food advertising and on the importance of educating parents and children on healthy eating choices. The other side of the equation, however, is equally important: exercise and physical activity. The government has a responsibility to help every Australian family get moving.

Evidence suggests that the rising cost of participation in sport is a massive barrier to increased involvement. Ask any parent who has active children to list the cost of that involvement and I am sure that everyone in this chamber would be staggered. The limited available official data from the ABS household expenditure survey indicates that, for households with dependent children, the amount spent on sporting club subscriptions increased by 88 per cent, from 92c per week in 1998-99 to $1.73 per week in 2003-04. This is a much bigger increase than the growth in average incomes of these households, which was 32 per cent over the same period. That 88 per cent increase in sporting club subscriptions in five years does not include new boots, swimmers, goggles, uniforms, ballet shoes, bats, rackets, gloves and protective helmets, nor the petrol required to transport children to fixtures.

The sports participation component of the CPI has also been significantly greater than the increase in the overall CPI. For example, between June 1998 and December 2006 the sports participation component of CPI increased by 54 per cent, while the CPI increased by 28.5 per cent. Whilst the nature of both of these statistics cannot guarantee that the expenditure is only on children, the reality is that most families are paying more to be involved in physical activity. This increase is significantly higher than the CPI and is leading to families not allowing their children to be involved.

Sporting club costs are rising to the point where cost becomes the determining factor in a child’s involvement. A number of factors have most likely contributed to rising costs in these areas. The Senate Economics References Committee review of public liability and professional indemnity insurance stated that sport and recreation organisations have been most likely disproportionately affected by increases in the cost of public liability cover. Increased premiums for insurance have most probably been passed on to sports participants. Some increases cited in the review included the following: Surf Life Saving Australia Ltd premiums increased from $153,000 to $600,000 from 1996 to 2001; Soccer Australia premiums increased from $42,785 to $440,000 over one year; and Australian Swimming premiums increased between 150 and 350 per cent among affiliated organisations.

Also compounding the pressure on clubs and sporting organisations is the push for public authorities to move to full-cost recovery for the hire of premises. Council and government owned sporting fields are in many cases no longer made available to clubs at subsidised rates. As well, some clubs have to employ professional people in roles such as treasurer, secretary and canteen convenor because the voluntary support from the community is not as available as it used to be.
Of great concern is the link between lower income families and sporting activities. A research report by the University of South Australia found a strong correlation between participation and family income. The study determined that parents of junior sport participants were predominantly in white-collar occupations. In particular, the data suggested that the direct and indirect costs favour children from high-income families with a flexible daily routine, or those having one parent at home full-time or part-time to provide transport and other means of practical support. The authors of a similar study cited in the research concluded:

There can be no question, on the basis of the findings of this study, that there remain substantial socio-economic barriers to children’s participation in club and representative sport.

I believe there needs to be a greater incentive for parents to get their children into physical activity, and for the last few weeks my office has been working on a proposal of a tax allowance for the registration and tuition costs of children’s sport. Last week the Australian Sports Federation Alliance contacted all MPs with an extremely similar plan. We were working in parallel, and I have since met with the alliance to consolidate our approaches. Both the Australian Sports Federation Alliance and I have called for a taxation deduction of at least $250 per child per annum, up to their 17th birthday. I am also proposing that families who do not have a taxable income should be able to present their receipts for up to $250 to Centrelink to receive a proportional payment equivalent to the tax rebate.

The net benefit to families via both systems would be about $75 per child per year. This benefit would allow families to claim for the equivalent of one winter sport and one summer sport registration, or a more intensive program like summer swimming lessons. I am also proposing no bottom age limit, as I believe that teaching young children the importance of an active lifestyle is absolutely important. The most common activity for children under five is swimming lessons and—especially in Queensland, where water is the focus of so many family activities—the more youngsters that we can save from drowning deaths and injuries by this government incentive, the better.

The ASFA’s proposal notes that similar actions have recently been taken by the Canadian government to provide tax incentives of up to $500 per child for children’s sporting involvement. The Australian Sports Commission has a long-established definition and criteria for recognising which activities are defined as sports and which sporting bodies are recognised. ‘Sport’ is defined as:

A human activity capable of achieving a result requiring physical exertion and/or physical skill which, by its nature and organisation, is competitive and is generally accepted as being a sport.

According to this definition, then, eligible activities would be undertaken at least once a week and for a period of at least 10 weeks and would include, amongst others: swimming, dancing, team sports, horse sports, gymnastics, athletics and martial arts. Extra curricular activities which have limited or no physical activity component, such as chess, yoga, drama or music classes would not eligible for rebates. I seek leave to have the rest of my speech incorporated in Hansard. (Time expired)

Leave granted.

The incorporated speech read as follows—

I am suggesting that tax deductibility would also not be available for the cost of transport or equipment like shoes or uniforms but would cover officially receipted costs such as registration fees, ground fees, and tuition costs. This benefit would encourage more families to consider a sporting activity enabling sporting organisations to cover the cost of registrations, insur-
ance, and location hire. Parents would still bear the majority of the costs of their children’s involvement in sport but the incentive bonus would enable more children to become involved.

I am also aware that some health funds offer rebates for activities that promote a healthier lifestyle. However this is usually only available with the most expensive level of cover and few families can afford this.

Mr President, there are currently over three million school age children in Australia at the moment and this policy could help improve the health and fitness outcomes for every one of them. This idea is supported by hundreds of sporting greats in Australia who know and understand the value of involvement in physical activity on a regular basis.

I believe that action should be taken as soon as possible to halt the decline in young people’s involvement in sporting activities and I look forward to the opportunity to further develop my proposal and that of the Australian Sport Federation Alliance with the minister for sport, my colleague Senator Brandis.

The minister has tackled the complexities of his new portfolio with great competence. As a minister, he understands the importance of this issue for the health of our nation, and as a father himself I know he understands the added pressure that the high cost of sporting involvement is having on Australian families. His children have been involved in sporting activities, he has taken them to practice and games, outfitted them and most importantly paid the bills, so he knows how the costs mount up. I believe the minister would want to take every action possible to assist the young people of Australia to get physically active on a regular basis.

We are not talking about elite sport here, we are referring to the under-8s cricket match on a Saturday morning at the council oval, the local dance studio, and karate lessons in the CWA hall. It is local children undertaking local activities at a local level that this policy initiative is aimed towards.

I would like to talk about other ways the government could manage IP, but first I will recap what constitutes IP. It covers inventions, designs, copyright and circuit layouts. It is this intellectual information that is driving our fledgling but burgeoning ICT industry. Our ICT industry accounts for, surprisingly, 4.6 per cent of Australia’s gross domestic product. It drives 85 per cent of productivity growth in the manufacturing sector.

We know from the ANAO report that the worth of intangible assets such as computer software—which should be protected by IP—has mushroomed in the past decade. In 1996 it amounted to little more than half a billion dollars. By last year, it was worth nearly $8 billion. Many ICT companies, in selling their software to government agencies, want to retain that intellectual property. Understanding this commercial reality, state governments in Victoria and South Australia have complied. They have come to an agreement that IP is better served by being
vested in the supplier than in the government. There, it simply accumulates dust and is not used. These governments have struck the right balance between access to and control of IP. It is a win-win, where the state governments have access to the IP necessary for their usage of, for example, a software package, and the ICT company maintains the IP necessary for innovation and to help maintain business.

This is also the preferred option for other countries, such as Canada and Japan. The latter, by the way, has the second largest ICT market in the world, so it is obviously doing something right when it comes to growing this key industry. Not so our current government. It has adopted an attitude which can be paraphrased as, ‘We pay for it; hence, we should own it.’ But, as we have seen, that attitude towards ICT is actually curtailing enterprise and innovation.

Governments pay for an ICT solution, but do not need IP ownership to receive the benefits from that procurement. IP rights are simply those stopping others from doing certain things with the particular product or material. It is not even as if IP itself is a valuable asset for the government. This is the nub of my argument: much of the value of ICT lies in its potential for commercialisation. But most IP relating to ICT has little or no commercial potential. Governments procure the software under a licence to maintain and upgrade the product. As such, the IP of that software is redundant. Its management, however, is critical. We know, from two successive audit reports, that the government has failed in this direction.

Again, to recap: two successive audits in four years found that two-thirds of government agencies had no policy for managing IP. A recommended whole-of-government approach towards such management still has not been achieved. Such an approach was meant to have been completed by May last year, but to this day confusion remains over whether this rests with the Attorney-General or with the Minister for Finance and Administration, Senator Nick Minchin.

It is not as if the government has not recognised the need to address IP management, for it developed a policy statement on IP management in the lead-up to the 2004 election—another broken promise, for that has not been enacted. Yet IP is becoming critical as the government outsources more and more work to third parties. If it manages IP right it will boost competitiveness, increase revenue and stimulate economic growth, but to date it is simply ignoring the problem, hoping it will go away.

The ICT industry is now demanding that the government adopt more flexible procurement policies for software and other intangibles. It wants to be able to retain the IP in ICT solutions created under government contracts. In this way, both government and industry can realise significant benefits in cost savings, innovative solutions, reduced compliance overheads and greater participation in government markets—the latter especially so when it comes to smaller businesses. The government itself acknowledges this:

As a rule of thumb, the party best able to support and enhance the technology and to pursue appropriate markets for the benefit of consumers should exercise ownership rights.

But the government’s record on IP falls far short of this worthwhile, indeed noble, goal.

Let us look at other countries’ policies with respect to intellectual property. Canada, for example, recognises that the best way of achieving good economic outcomes from its ICT industry is by assigning IP ownership to the supplier. Ditto for the government of the United Kingdom. These countries have found that a policy of supplier ownership,
coupled with government licensing, helps industry develop products. The same practice has been adopted in widespread markets in the United States. Again, the federal government encourages its states to develop licensing arrangements with a supplier, which retains the intellectual property.

So we see a clear trend emerging—that is, governments of nations and peers of Australia in the ICT area lean towards supplier ownership of intellectual property arising from government ICT contracts. I am stating this simply as an alternative that is at this stage worthy of investigation. I acknowledge up-front that there will be some areas of government where IP is critical and needs to reside within the particular department or agency. IP of Defence contracts, for example, could prove an exception to the general proposition.

I started this speech proposing retention of IP ownership by the supplier. That is one way government can encourage Australian ICT innovation and distribution. But this government, as we have seen, is not even at the starting blocks in this race. Instead, departments continue to haggle over where responsibility for IP management lies. A chain of correspondence on this subject between various departments dates back to 2004. It shows nearly three years of wrangling between the Attorney-General’s Department and Finance. As of last August, both departments were still letter-writing over the minutiae of responsibility for IP management. The latest audit, which I referred to earlier, concludes:

Almost three years after agreement to the earlier audit report recommendations, an over-arching approach and guidance to agencies on IP management has not been achieved.

I hope tonight I have shown how government indifference towards IP is stifling the innovation of indigenous ICT companies. Let this be a warning to the government: abide by your promise to fix the management of IP; otherwise, you will continue to contribute to the brain drain from this country.

Aceh

Senator PAYNE (New South Wales) (7.27 pm)—At the end of 2006 and again this month, the first free elections for a self-governing Aceh were conducted. These elections were conducted in a manner which benefits a burgeoning democracy and resulted in the valid election of officials to guide Aceh through the next phase of its development. Election observers from the European Union, whilst noting some minor and localised attempted interference by members of the Indonesian armed forces, declared the ballot a success undiminished by any attempts to influence voters in an undemocratic manner. These elections constitute a triumph for the province of Aceh, which has undergone extraordinary turbulence and upheaval—both natural and man-made, one would have to say.

In the period of just over two years since Indonesia was struck by the devastating Indian Ocean tsunami, considerable progress has also been made in the rebuilding of important infrastructure and services. The Acehnese themselves have made very significant steps forward of their own for peace, for security and for redevelopment.

Australia has been able to play a significant part in this reconstruction through the Australia-Indonesia Partnership for Reconstruction and Development, the AIPRD, which is a five-year billion-dollar strategy to efficiently and rapidly restore the present and future prospects of Indonesians in the wake of the tsunami. In order to assist the Indonesian government, particularly with donor coordination planning, our government committed $3 million for that purpose to Indonesia’s Rehabilitation and Reconstruc-
tion Authority for Aceh and Nias. In Australia itself, private citizens donated a total of $380 million to this cause, demonstrating that the people of this country have the capacity to respond decisively and with significant personal assistance when a circumstance clearly demands it.

The province of Aceh was particularly badly hit. The loss of life caused by the tsunami was of a scale I think unimaginable in Australia—that is, in the order of 168,000 people dead. That devastation was exacerbated by the complete obliteration of property, which left half a million people homeless. We all perhaps have different mental pictures of that day and the media reports thereafter, but I know that I will never forget watching Tim Palmer, the ABC reporter, walking into Banda Aceh and his powerful reporting of that scene.

It was absolutely impossible for people to know with any certainty where they should even start to rebuild their homes. And without that sort of certainty it is unreasonable to expect anything very much in the way of stability and cohesion in Aceh itself. To that end, and as part of the contribution, our government provided $40 million for the local governance and community infrastructure program, which has assisted in the extraordinarily painstaking task of redefining and codifying land and property boundaries. Seventy thousand families were assisted in that particular manner alone. That expanded upon the work which had to be done in re-mapping the whole battered coast of Aceh, which was essential to establishing a recognised standard of legal property regulations. That was even necessary underlines the extraordinary destruction that was wrought on the area. It also underlines the basic, pragmatic, grassroots approach taken by both Australia and Indonesia, other donors, aid agencies and NGOs to ensure that rebuilding activities have been appropriately targeted to provide lasting and meaningful development.

At the time, our initial response to the tragedy in Aceh was obviously focused on the immediate needs of an extraordinarily stricken and exposed population. We were able to help in providing over 1,200 temporary shelters to alleviate the housing crisis. Our aid is now directed clearly towards five major sectors: health, education, infrastructure, livelihoods and governance—and that is with a view to offering the Acehnese the best possible opportunities to rebuild for the medium term and into the future.

As for long-term benefits to the Acehnese, though, I think it is worth noting that few pieces of infrastructure could be more valuable than a functioning port. Banda Aceh’s port was absolutely razed by the tsunami, and so reconstruction materials were denied even the simplest, most effective access to Aceh itself. That access is indispensable, and so it is a major priority to which the partnership was able to make a commitment of $10 million. The port is now able to service 900 passengers per day, a figure that local port managers expect to rise to 1,500 in the near future. It is a port which, reconstructed, will develop into an economic hub for Aceh, into a very important source of growth for all of Aceh and to the significant benefit of all of its citizens.

Other crucial infrastructure investments encompass a total of 200 sites, including schools, village halls, libraries, hospitals and education and training facilities. By the end of this year, in addition to the three schools and two education offices already newly built, there will be 14 new education offices up and running. Much of the rebuilding work, be it construction, sanitation or water reconnection, is being undertaken by local Acehnese women, who represent half of the
1,300 people who have been trained by Australia to execute the reconstruction.

Over 850 local health workers have been trained, and 4,800 students have already received scholarships which will enable them to train as nurses, midwives and healthcare workers. This is a very important investment not just in the physical rebuilding of Aceh but in the people and the fibre, if you like, of the community of Aceh. The skills that are being provided in this process are essential tools in the redevelopment following such a devastating loss of life.

In order to ensure that Aceh has a viable future, local people are the ones who need to be equipped with skills and capital that will facilitate the rebuilding of the province. This is the method that we, in conjunction with the Indonesian government and the AIPRD, favour and that all Australians, it would seem, favour in general. It means, one hopes, that the wheels will not fall off when officials, reconstruction workers and NGOs who are working within Aceh have to leave, and that we can help ensure that Aceh flourishes in the future. And it will do so because the Acehnese themselves, with the benefit of funding and guidance from Australia and other donors, but at their own direction and with their own engagement, are the fundamental driving force—a driving force which must and will come from the local population.

The effective reporting process for the spending of dollars, which has been put in place both through the AIPRD and also in relation to NGO spending, is a very important response to community interest in how contributions are actually dealt with in the current climate. We had evidence on that matter at the Joint Standing Committee on Foreign Affairs, Defence and Trade’s roundtable on the post-tsunami response which was held last year. I note that there is ongoing interest in those reports as they are received.

It is of course true to say that it is not only natural disasters that have beset Aceh since it was included in the fledgling Indonesian nation almost 60 years ago. In fact, between 1949 and the signing of the 2005 peace agreement between GAM and the Indonesian government, about 15,000 people died in the armed struggle for Acehnese independence. That struggle had its roots in the composition of the Indonesian state and had literally festered for decades. GAM, or the Free Aceh Movement, was formed in 1976 from a body which was already agitating against control by Jakarta, and it was felt by many Acehnese that inclusion in Indonesia was unjust as they had not formed part of the Netherlands East Indies in those days. Throughout the decades that followed, Jakarta’s military presence in Aceh varied with circumstance, it is fair to say, until finally there was a withdrawal of almost 50,000 Indonesian troops from Aceh.

Through the efforts of the European Union, particularly Finland, and concerned regional players, including the United States and Australia to greater and lesser degrees, as well as very important non-government organisations and, most importantly, extremely brave and courageous Acehnese, a peace accord between GAM and Jakarta was finally signed in 2005. As I referred to at the beginning of my remarks, the first round of free elections for the governorship of a self-governing Aceh was held in December last year.

Both GAM and Indonesia made concessions in the resolution of the struggle. In return for the granting of self-government, GAM relinquished its demands for full independence. Now a former GAM ‘rebel’, Irwandi Yusuf, is the democratically elected Governor of Aceh. I think it is fair to say that if both sides of the conflict had been unwill-
ing to negotiate and unwilling to look at compromise—that is, not to put the greater benefit of Aceh and Indonesia in general ahead of partisan personal and political concerns—then armed conflict in Aceh may persist today.

The particular lesson of the arrival of peace and self-determination in Aceh I think heralds a broader message for all troubled parts of the world. It certainly gives me pause for thought that, in major part, the prolific loss of life from the tsunami ultimately brought these parties together, recognising the commonalities they shared rather than the continued emphasis of differences. But nevertheless the message is clear: in nation building and in the development of democracy it is perseverance in the pursuit of democracy and freedom which can and does bear fruit. To abandon it because it appears too hard is not an option.

Senate adjourned at 7.37 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—

Civil Aviation Safety Regulations—

Airworthiness Directives—Part 105—AD/TBM 700/46—Main Landing Gear Shock Strut Cylinder [F2007L00743]*.

Select Legislative Instrument 2007 No. 41—Civil Aviation Safety Amendment Regulations 2007 (No. 1) [F2007L00774]*.

Customs Act—

Tariff Concession Orders—

0619398 [F2007L00757]*.

0619475 [F2007L00784]*.

0619680 [F2007L00758]*.

0619681 [F2007L00759]*.

0619711 [F2007L00760]*.

0619717 [F2007L00783]*.

0619742 [F2007L00761]*.

0619948 [F2007L00762]*.

0619977 [F2007L00792]*.

0620223 [F2007L00770]*.


Fisheries Management Act—Northern Prawn Fishery Management Plan 1995—

NPF Directions Nos—

101—First season closures [F2007L00666]*.

102—Protected area closures [F2007L00768]*.

107—Gear requirements [F2007L00776]*.

Higher Education Support Act—Higher Education in External Territories Guidelines [F2007L00834]*.

Migration Act—Migration Regulations—Instrument IMMI 07/009—Classes of persons who may make an internet application for a Tourist Visa [F2007L00706]*.


* Explanatory statement tabled with legislative instrument.

Tabling

The following government documents were tabled:

Gene Technology Regulator—Quarterly report for the period 1 October to 31 December 2006.


National Health and Medical Research Council, Australian Research Council and Australian Vice-Chancellors’ Committee—
National statement on ethical conduct in human research, dated March 2007.

Treaties—List of multilateral treaty actions under negotiation, consideration or review by the Australian Government as at March 2007.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Grains Council of Australia: Meetings

(Question No. 1750)

Senator O’Brien asked the Minister representing the Prime Minister, upon notice, on 9 May 2006:

(1) On what dates in 2002 and 2003 did: (a) the Prime Minister; and (b) the Prime Minister’s office, meet with representatives of the Grains Council of Australia.

(2) For each meeting, can the following details be provided: (a) who attended; (b) the capacity in which they attended; and (c) where the meeting was conducted.

(3) If officers from the department did not attend and/or official minutes of the meeting were not recorded, why not.

(4) In each case, were briefing notes provided by the department prior to the meeting; if so, who requested the briefing notes; if no briefing notes were requested, why not.

Senator Minchin—The Prime Minister has provided the following answer to the honourable senator’s question:

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.

Northern Territory Permit System

(Question No. 2940)

Senator Chris Evans asked the Minister representing the Minister for Families, Community Services and Indigenous Affairs, upon notice, on 8 December 2006:

With reference to the Minister’s announcement on 12 September 2006 that the Government was reconsidering the Northern Territory permit system that applies to Aboriginal land and the discussion paper released by the Minister in early October 2006, which outlined several proposals for change to the permit system:

(1) On what date: (a) did the Minister first request that the department investigate options for reform to the permit system; (b) was the Minister first briefed on the options for reform to the permit system; (c) did the Minister first request that the department prepare the discussion paper; (d) did the Minister see the first draft of the discussion paper; and (e) was the discussion paper first publicly released.

(2) How many departmental staff worked on the discussion paper.

(3) What documented research, evidence or consultations did the discussion paper draw on.

(4) Were any consultants engaged in the research for, or preparation of, the discussion paper; if so: (a) how long was the consultation period; and (b) what was the total cost of the consultancy.

(5) (a) To date, how many submissions have been received; and (b) will these submissions be made publicly available.

Senator Scullion—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

QUESTIONS ON NOTICE
The Minister had been asked to consider changes to the permit system from the time he was appointed. He publicly stated that while his preference was to review the system, at that time it was not his first priority. The Minister formerly requested that the department investigate options for reform to the permit system on 12 September 2006. The Minister was first briefed on the options for reform to the permit system on 25 September 2006. The Minister first requested that the department prepare the discussion paper on 13 September 2006. The Minister saw the first draft of the discussion paper on 25 September 2006. The discussion paper was publicly released on 4 October 2006.


A total of 60 written submissions have been received at 27 February 2007. The submissions will not be made publicly available.