INTERNET
The Journals for the Senate are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfoweb.aph.gov.au

SITTING DAYS—2007

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>6, 7, 8, 9, 26, 27, 28</td>
</tr>
<tr>
<td>March</td>
<td>1, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>May</td>
<td>8, 9, 10</td>
</tr>
<tr>
<td>June</td>
<td>12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>August</td>
<td>7, 8, 9, 13, 14, 15, 16</td>
</tr>
<tr>
<td>September</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>October</td>
<td>15, 16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>November</td>
<td>5, 6, 7, 8, 12, 13, 14, 15, 26, 27, 28, 29</td>
</tr>
<tr>
<td>December</td>
<td>3, 4, 5, 6</td>
</tr>
</tbody>
</table>

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—NINTH 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 Stephen Parry and Julian John James McGauran
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
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Judith</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Allison, Lynette Fay</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>AD</td>
</tr>
<tr>
<td>Barnett, Guy</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Bartlett, Andrew John Julian</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>AD</td>
</tr>
<tr>
<td>Bernardi, Cory (5)</td>
<td>SA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Birmingham, Simon John (6)</td>
<td>SA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Thomas Mark</td>
<td>WA</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Boswell, Hon. Ronald Leslie Doyle</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>NATS</td>
</tr>
<tr>
<td>Boyce, Suzanne Kay (1)</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, SC</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Brown, Robert James</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>AG</td>
</tr>
<tr>
<td>Calvert, Hon. Paul Henry</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Campbell, George</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Campbell, Hon. Ian Gordon</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Carr, Kim John</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Chapman, Hedley Grant Pearson</td>
<td>SA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Conroy, Stephen Michael</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Coonan, Hon. Helen Lloyd</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Crossin, Patricia Margaret (3)</td>
<td>NT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Eggleston, Alan</td>
<td>WA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Ellison, Hon. Christopher Martin</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Evans, Christopher Vaughan</td>
<td>WA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Alan Baird</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Fielding, Steve</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>FF</td>
</tr>
<tr>
<td>Fierravanti-Wells, Concetta Anna</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Fifield, Mitchell Peter (2)</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Forshaw, Michael George</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Hogg, John Joseph</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Humphries, Gary John Joseph (3)</td>
<td>ACT</td>
<td></td>
<td>LP</td>
</tr>
<tr>
<td>Hurley, Annette</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Hutchins, Stephen Patrick</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Joyce, Barnaby</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>NATS</td>
</tr>
<tr>
<td>Kemp, Hon. Charles Roderick</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Kirk, Linda Jean</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Lightfoot, Philip Ross</td>
<td>WA</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Ludwig, Joseph William</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Lundy, Kate Alexandra (3)</td>
<td>ACT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Macdonald, Hon. Ian Douglas</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Macdonald, John Alexander Lindsay (Sandy)</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>NATS</td>
</tr>
<tr>
<td>McEwen, Anne</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>McGauran, Julian John James</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>McLucas, Jan Elizabeth</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Senator</td>
<td>State or Territory</td>
<td>Term expires</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------</td>
<td>--------------</td>
<td>-------</td>
</tr>
<tr>
<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Mason, Hon. Brett John</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Milne, Christine</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>AG</td>
</tr>
<tr>
<td>Minchin, Hon. Nicholas Hugh</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Murray, Andrew James Marshall</td>
<td>WA</td>
<td>30.6.2008</td>
<td>AD</td>
</tr>
<tr>
<td>Nash, Fiona Joy</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>NATS</td>
</tr>
<tr>
<td>Nettle, Kerry Michelle</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>AG</td>
</tr>
<tr>
<td>O’Brien, Kerry Williams Kelso</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Parry, Stephen</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Patterson, Hon. Kay Christine Lesley</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Payne, Marise Ann</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Polley, Helen</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Ray, Hon. Robert Francis</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Ronaldson, Hon. Michael</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Scullion, Hon. Nigel Gregory (3)</td>
<td>NT</td>
<td>30.6.2008</td>
<td>CLP</td>
</tr>
<tr>
<td>Sherry, Hon. Nicholas John</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Sievert, Rachel</td>
<td>WA</td>
<td>30.6.2011</td>
<td>AG</td>
</tr>
<tr>
<td>Stephens, Ursula Mary</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Stott Despoja, Natasha Jessica</td>
<td>SA</td>
<td>30.6.2008</td>
<td>AD</td>
</tr>
<tr>
<td>Troeth, Hon. Judith Mary</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Trood, Russell</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Watson, John Odin Wentworth</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>LP</td>
</tr>
<tr>
<td>Webber, Ruth Stephanie</td>
<td>WA</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Wong, Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Wortley, Dana</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
</tbody>
</table>

(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. Santo Santoro, 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.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy vice Jeannie Margaret Ferris, died in office.

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

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

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

Treasurer
Minister for Trade
Minister for Defence
Minister for Foreign Affairs
Minister for Health and Ageing and Leader of the
House
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
The Hon. Dr Brendan John Nelson MP
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP

Attorney-General
Minister for Finance and Administration, Leader
of the Government in the Senate and Vice-
President of the Executive Council
Minister for Agriculture, Fisheries and Forestry
and Deputy Leader of the House
Minister for Immigration and Citizenship
Minister for Education, Science and Training and
Minister Assisting the Prime Minister for
Women’s Issues
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin
The Hon. Peter John McGauran MP
The Hon. Kevin James Andrews MP
The Hon. Julie Isabel Bishop MP

Minister for Families, Community Services and
Indigenous Affairs and Minister Assisting the
Prime Minister for Indigenous Affairs
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Relations and
Minister Assisting the Prime Minister for the Public Service
Senator the Hon. Helen Lloyd Coonan
The Hon. Malcolm Bligh Turnbull MP
The Hon. Ian Elgin Macfarlane MP
The Hon. Joseph Benedict Hockey MP

Minister for Communications, Information Tech-
nology and the Arts and Deputy Leader of the
Government in the Senate
Minister for the Environment and Water Re-
sources
Minister for Human Services
Senator the Hon. Christopher Martin Ellison

(The above ministers constitute the cabinet)
Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate
Senator the Hon. Eric Abetz

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

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

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

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

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

Special Minister of State
The Hon. Gary Roy Nairn MP

Minister for Ageing
The Hon. Christopher Maurice Pyne MP

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

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

Minister for Community Services
Senator the Hon. Nigel Gregory Scullion

Minister for Justice and Customs
Senator the Hon. David Albert Lloyd Johnston

Assistant Minister for Immigration and Citizenship
The Hon. Teresa Gambaro MP

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

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

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

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

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

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

Parliamentary Secretary to the Minister for Foreign Affairs
The Hon. Gregory Andrew Hunt MP

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

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

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

Parliamentary Secretary to the Minister for Health and Ageing
Senator the Hon. Brett John Mason
SHADOW MINISTRY

Leader of the Opposition: Kevin Michael Rudd MP
Deputy Leader of the Opposition: 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 Housing, Shadow Minister for Youth and Shadow Minister for Women
Tanya Joan Plibersek MP

Shadow Minister for Health
Nicola Louise Roxon MP

Shadow Minister for Superannuation and Inter-generational 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 Minister for Finance
Wayne Maxwell Swan MP

Shadow Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation
Lindsay James Tanner MP

Shadow Parliamentary Secretary for Foreign Affairs
Senator Penelope Ying Yen Wong

Shadow Parliamentary Secretary for Defence and Veterans’ Affairs
Anthony Michael Byrne MP

Shadow Parliamentary Secretary for Environment and Heritage
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Treasury
Jennie George MP

Shadow Parliamentary Secretary for Education
Catherine Fiona King MP

Shadow Parliamentary Secretary to the Leader of the Opposition
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Industrial Relations
John Paul Murphy MP

Shadow Parliamentary Secretary for Industry and Innovation
Brendan Patrick John O’Connor MP

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)
The Hon. Warren Edward Snowdon MP

Senator Ursula Mary Stephens
THURSDAY, 10 MAY

Chamber

Notices—

Presentation .................................................................................................................................. 1

Committees—

Selection of Bills Committee—Report ...................................................................................... 1

Leave of Absence ....................................................................................................................... 8

Business—

Rearrangement ........................................................................................................................ .. 8

Rearrangement .......................................................................................................................... 9

Notices—

Postponement ........................................................................................................................... 9

Business—

Consideration of Legislation ...................................................................................................... 9

Committees—

Environment, Communications, Information Technology and the Arts Committee—Meeting .. 9

Public Accounts and Audit Committee—Meeting .................................................................. 10

Foreign Affairs, Defence and Trade Committee—Extension of Time ................................. 10

Parenting by Grandparents ..................................................................................................... 10

Senator Watson ........................................................................................................................ 11

Indigenous Australians ............................................................................................................. 11

Indigenous Australians ............................................................................................................. 12

Climate Change ....................................................................................................................... 13

Iraq .......................................................................................................................................... 13

Committees—

Public Accounts and Audit Committee—Report .................................................................. 14

Publications Committee—Report .......................................................................................... 16

Budget—

Consideration by Legislation Committees—Additional Information .................................. 16

Committees—

Employment, Workplace Relations and Education Committee—Documents .................. 18

Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007—

First Reading ............................................................................................................................ 18

Second Reading ....................................................................................................................... 18

Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007................................................................. 20

Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007—

First Reading ............................................................................................................................ 20

Second Reading ....................................................................................................................... 21

National Capital Plan amendments—

Motion for Disallowance ........................................................................................................ 22

Broadcasting Legislation Amendment (Digital Radio) Bill 2007............................................... 34

Radio Licence Fees Amendment Bill 2007—

Second Reading ....................................................................................................................... 34

In Committee ........................................................................................................................... 44

Third Reading .......................................................................................................................... 49
CONTENTS—continued

Tax Laws Amendment (2007 Measures No. 2) Bill 2007—
  Second Reading ................................................................. 49

Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007—
  Second Reading ................................................................. 51
  Third Reading ................................................................... 56

Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007—
  Second Reading ................................................................. 56
  Third Reading ................................................................... 62

Education Services for Overseas Students Legislation Amendment Bill 2007—
  Second Reading ................................................................. 62
  Third Reading ................................................................... 68

Primary Industries and Energy Research and Development Amendment Bill 2007—
  Second Reading ................................................................. 68
  Third Reading ................................................................... 68

Governance Review Implementation (Treasury Portfolio Agencies) Bill 2007—
  Second Reading ................................................................. 68
  In Committee .................................................................... 72
  Third Reading ................................................................... 73

Questions Without Notice—
  Budget 2007-08 .................................................................. 73
  Budget 2007-08 .................................................................. 74
  Budget 2007-08 .................................................................. 75
  Budget 2007-08 .................................................................. 76
  Higher Education Funding .................................................. 77
  Workplace Relations ........................................................... 79

Answers to Questions on Notice—
  Workplace Relations ........................................................... 88

Questions Without Notice: Take Note of Answers—
  Budget 2007-08 .................................................................. 89

Committees—
  Selection of Bills Committee—Report .................................. 95
  Environment, Communications, Information Technology and the Arts Committee—Extension of Time ................................................................. 96
  Legal and Constitutional Legislation Committee—Report: Government Response ................................................................. 96
  Environment, Communications, Information Technology and the Arts References Committee—Report: Government Response ................................................................. 103
  Representation Of Queensland And South Australia .............. 129
  Budget 2007-08 .................................................................. 129
  Environment, Communications, Information Technology and the Arts Committee—Membership ................................................................. 158
Australian Labor Party—
  Leadership and Office Holders................................................................. 158
  Leave of Absence....................................................................................... 158
  Budget—
  Statement and Documents ....................................................................... 158
Adjournment—
  Motor Neurone Disease......................................................................... 172
  Assistant Commissioner Audrey Fagan.................................................... 175
  Environment.............................................................................................. 177
  Budget 2007-08....................................................................................... 179
Documents—
  Tabling...................................................................................................... 181
Questions on Notice—
  Wilderness Society—(Question No. 2416) ............................................ 182
  Exclusive Brethren—(Question No. 2536) ............................................. 182
  Agriculture, Fisheries and Forestry—(Question No. 2645)...................... 182
  Mining Industry: Desalination Plants—(Question No. 2976)................. 184
  Tiwi Islands—(Question No. 3075)....................................................... 185
  East Coast Deep Water Trawl Zone—(Question No. 3092)............... 186
  Palm Island: Census Information—(Question No. 3096)...................... 187
  Backing Indigenous Ability Telecommunications Program—(Question No. 3103) 188
The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

NOTICES
Presentation

Senator Abetz to move on the next day of sitting:
That, on Tuesday, 12 June 2007:
(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
(b) the routine of business from 7.30 pm shall be government business only; and
(c) the question for the adjournment of the Senate shall be proposed at 10 pm.

Senator Chapman to move on the next day of sitting:
That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 12 June 2007, from 4.30 pm, to take evidence for the committee’s continuing oversight of the operations of the Australian Securities and Investments Commission.

Senator Nettle to move on the next day of sitting:
That the Senate—
(a) notes:
(i) the decision by the New South Wales Government to allow Emirates Hotels & Resorts to build a $60 million resort in the World Heritage-listed Wollemi National Park, and
(ii) that this sends a dangerous precedent about development in World Heritage areas; and
(b) calls on the Government to reject the development in the World Heritage area.

COMMITTEES
Selection of Bills Committee
Report

Senator PARRY (Tasmania) (9.31 am)—
I present the seventh report for 2007 of the Selection of Bills Committee. I seek leave to have the report incorporated in Hansard.

Leave granted.
The report read as follows

SELECTION OF BILLS COMMITTEE
REPORT NO. 7 OF 2007
1. The committee met in private session on Wednesday, 9 May 2007 at 3.05 pm.
2. The committee resolved to recommend—
(a) the provisions of the Great Barrier Reef Marine Park Amendment Bill 2007 be referred immediately to the Environment, Communications, Information Technology and the Arts Committee for inquiry and report by 12 June 2007; and
(b) the provisions of the Forestry Marketing and Research and Development Services Bill 2007 and the Forestry Marketing and Research and Development Services (Transitional and Consequential Provisions) Bill 2007 be referred immediately to the Rural and Regional Affairs and Transport Committee for inquiry and report by 12 June 2007.

3. The committee considered a proposal relating to a Bill for an Act to Amend the Workplace Relations Act 1996, and for related purposes (Stronger Safety Net). The committee resolved to recommend that, upon its introduction in the House of Representatives, the provisions of the bill be referred to the Employment, Workplace Relations and Education Committee for inquiry and report, but was unable to reach agreement on a reporting date.

4. The committee resolved to recommend—
That the following bills not be referred to committees:
• Australian Wine and Brandy Corporation Amendment Bill (No. 1) 2007
• Building and Construction Industry Improvement Amendment (OHS) Bill 2007
• Governance Review Implementation (Science Research Agencies) Bill 2007
• Health Insurance Amendment (Diagnostic Imaging Accreditation) Bill 2007 • Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007
• International Tax Agreements Amendment Bill (No. 1) 2007.

The committee recommends accordingly.

5. The committee deferred consideration of the following bills to its next meeting:
• Workplace Relations (Restoring Family Work Balance) Amendment Bill 2007
• Repatriation of Citizens Bill 2007.

Stephen Parry
Chair
10 May 2007

Appendix 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Great Barrier Reef Marine Park Amendment Bill 2007

Reasons for referral/principal issues for consideration
To look at impacts of the changes on the operation of the Authority and the management of the Marine Park, with special reference to the removal of the requirement for indigenous representation, and the details of new procedural requirements for zoning plans and changes.

Possible submissions or evidence from:
• Queensland Govt
• Recreational Fishers
• Commercial Fishers
• Queensland Tourism Industry Council
• World Wildlife Fund
• North Queensland Conservation Council
• Great Barrier Reef Marine Park Authority
• Aboriginal Rainforest Council
• Girringun Aboriginal Corporation

Committee to which bill is to be referred:
Environment, Communications, Information Technology and the Arts

Possible hearing date(s):
12 June 2007

Possible reporting date:
16 August 2007

(signed) Andrew Bartlett
Australian Democrat Party Leader

Appendix 2

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Forestry Marketing and Research and Development Services Bill 2007

Reasons for referral/principal issues for consideration
As this bill establishes a new entity, with new responsibilities, it is appropriate that this be reviewed to ensure it is properly established and transition arrangements are appropriate.

A review will include comparing the new entity against the Uhrig template, considering the terms of the statutory funding agreement between the new entity and the Commonwealth and other matters associated with the administration of the new entity.

Possible submissions or evidence from:
The Forestry industry, Dept of Agriculture, Forestry and Fisheries, the Forest and Wood Products Research and Development Corporation and the CFMEU

Committee to which bill is to be referred: Rural and Regional Affairs and Transport

Possible hearing date(s):
16 August 2007

Possible reporting date:
16 August 2007

Whip/Selection of Bills Committee member
Proposal to refer a bill to a committee

Name of bill(s):
A Bill For An Act To Amend The Workplace Relations Act 1999 And Related Purposes - (Stronger Safety Net)

Reasons for referral/principal issues for consideration
Examination of the bill upon its introduction in the House of Representatives.

Possible submissions or evidence from:
Committee to which bill is to be referred:
Employment, Workplace Relations and Education

Possible hearing date(s):
14 June 2007

Whip/Selection of Bills Committee member
Senator PARRY—I move:
That the report be adopted.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.32 am)—I move the following amendment:
At the end of the motion, add:
(a) and, in respect of paragraph 3, the Employment, Workplace Relations and Education Committee report on the bill by 14 June 2007; and
(b) the Workplace Relations (Restoring Family Work Balance) Amendment Bill 2007 be referred to the Employment, Workplace Relations and Education Committee for inquiry and report by 14 June 2007.

Senator LUDWIG (Queensland) (9.32 am)—I rise to speak on the amendment moved by Senator Abetz. What we now have is this—and I would not have expected to see it here: the Selection of Bills Committee has been unable to determine when a committee should report. The government has used, and will use, its numbers to force its position in the Senate. It is highly unlikely that this instance will not be repeated. The government has been reducing the ability of the Senate to scrutinise legislation. What it has done in this instance is seek to refer the Stronger Safety Net bill without the bill. No bill has been introduced into the Senate—none at all.

The coalition is going to support a referral to the Senate for scrutiny based on, we can only assume, the advertisements and the release by the Prime Minister, because we do not have a bill. We do not have a view yet from the government as to when the bill will in fact be introduced. I hope the government will be able to tell us that. If it cannot, we will have a position where the bill will be referred at some indeterminate time. The government has said: ‘We will refer it today and have a committee hearing on 8 June with or without a bill. It will then report on 14 June.’ Presumably—we can only presume—there will be a bill by that time. That means we will have to advertise to the public to make submissions based on, it seems, the statements by the Prime Minister and the public campaign this government has now funded. It seems that they have managed to get the campaign in motion well before writing the bill. That does not surprise me when it comes to this government.

We find ourselves in a position of being asked to support this motion. It is a piece of legislation that Labor think needs scrutiny. Labor believe it needs to have a Senate committee report and be dealt with. We are not here to deny the process; we want to engage in the process. We want to have a look at the bill; we want to have a look at what this government is doing in terms of the AWAs. Therefore, we are not going to oppose the motion. We expect the government to bring on the bill as early as it can so that stakeholders can have a look at the bill, what is contained within it and see whether the provisions that the Prime Minister has said
The government has sought to introduce a fake safety net. Even if we consider it to be unfair, we want to see the black letter law, we want to be able to argue about those issues and we want to be able to ensure that the government is held accountable. That is the appropriate role the Senate plays in this place. Again, a one-day hearing is inadequate. The government knows that, but the coalition is going to ram it through.

They are now treating the Senate like a sausage machine. One day they will introduce the bill—and we do not even know whether we will have a copy of the bill—and we will be expected to deal with the legislation in the last two weeks before we rise. The stakeholders will have to provide submissions and deal with the legislation—and, as I have said, deal with what legislation? The government needs to commit to ensuring that stakeholders have adequate time to deal with the legislation, to read it and to provide submissions, and that the committee has sufficient time to hear those submissions and deal with the legislation in an appropriate way.

(Time expired)

Senator BARTLETT (Queensland) (9.37 am)—The government announced its changes to the workplace laws a week or so ago with great fanfare and with huge expenditure of public money to tell everybody about them. They are so proud of these changes that they do not want anybody to have a look at them. That is how fabulous they think these changes are. They want to send them to a committee without having the legislation there for the committee to look at.

The title of the legislation itself, the ‘Stronger Safety Net’ bill, should be struck out on the grounds that it is misleading. This government rammed through legislation destroying the safety net, and for them to then put back a couple of threads and say that they are creating a stronger safety net has to be one of the most farcical misuses of the English language yet, and that is saying something for this mob.

This is not about opposing the legislation. For starters, we cannot oppose it because we have not seen it. As I said yesterday, it was the Democrats that played the pivotal role in ensuring that the safety net was there for the 10 or so years of the Howard government until they got control of the Senate. Anything that starts to put back in place the Democrats’ safety net we would be likely to support, even if it is only putting back a few threads. It is not about opposing the legislation. The Democrats are very proud of pointing to the safety net that we put in place against this government’s initial wishes—as was made obvious when they ripped it apart at the first chance they got.

Let us not forget what we have seen here. We have seen huge full-page newspaper advertisements all over the country paid for out of the taxpayers’ pockets to advertise the coalition’s new policy. That is corrupt behaviour and it shows how low this government has sunk. It is treating every coalition senator as a mushroom. It is assuming that they will support this sight unseen. All of the newspaper ads have gone in before the parliament has even seen the legislation, let alone passed it. That we could have public money spent telling people about a change that the parliament has not even seen, let alone endorsed, shows how much contempt this government has for its own senators, for its own back bench, for the Senate committee process, and it now expects some thanks or kudos for putting in place a derisory inquiry.

Nobody knows when this legislation is going to appear. Indications are that it might appear around the end of the month. What are people meant to put together submissions
— a newspaper advertisement or a press release from the Prime Minister? Leaving aside this government’s unbelievable record of deceit over more than a decade, the matter of basic incompetence in putting together legislation is precisely the sort of thing that Senate committee inquiries find time and time again because of the expertise from people in the area being examined. These are not all faceless, nasty, trade union bosses or thugs thundering in and giving the committee evidence. These are people from across the spectrum, people whom the Democrats always look to—as our record shows—to take a balanced approach to legislation. These are people that will not adopt mindlessly the trade union side or the big business side. They are people who have expertise in the area and will be able to say, ‘You might have put a newspaper ad out there saying that this is what is going to happen, but if you look at what is in the legislation it is not going to work like that.’ What do you do then? Do you pay for another bunch of newspaper advertisements? I am sure that you will take any chance you get to grab more taxpayers’ money to advertise. You have already put all the advertisements out there and you do not even know what is in the legislation—it is not even finished yet. You do not know whether it is going to deliver what you have already said in the newspaper advertisements, and this parliament is supposedly going to rubber-stamp it.

I remind the Senate and the public again of the Prime Minister’s pledge when he got control of the Senate. He said that he would not misuse his power, that he would not let it go to his head, that he would not use it arrogantly or inappropriately. This is yet another breach in a very long line of breaches of that most basic promise about an area which is fundamental. The government itself says that it is fundamental and for years the Democrats have said that it is fundamental. It is a key part of our economic prosperity, work and family balance and opportunity for people throughout the community. That is why we have got to get it right. It is not about being for or against the legislation. It is making sure that whatever is in it, whatever policy intent there is behind it, actually works properly. This is total contempt for the Senate process. *(Time expired)*

Senator SIEWERT (Western Australia) (9.42 am)—The Greens also are opposing the referral date for this committee report. Of course we support it being referred to committee; we think it is absolutely essential. I remind this place of the pages and pages of amendments that came here to the original Work Choices legislation and the week we sat here trying to come to terms with them.

Senator McGauran—That is because you wrote the pages.

Senator SIEWERT—We put in a lot of amendments, yes, but the government put in pages and pages and pages of amendments to the legislation due to mistakes and loopholes that were identified through the committee process. Though that process was rushed, I think the committee sat for five days going through the legislation. We identified many loopholes—for example, for clothing workers, where there was a huge gap, and there were many other loopholes. We identified those through a rigorous committee process, fast-tracked as it was during that time. Many of us thought we needed a longer time to consider the legislation.

But here we are faced with the legislation hitting the deck sometime at the end of May, at a time when the committee can only meet in the week between 4 June and 8 June—so pick a date during that week. At most that gives us around a week from when the legislation hits the deck and is tabled to when we are sitting as a committee to review the act.
That gives stakeholders and the public about three or four days to look at the legislation and get a submission in. It gives the committee members only that amount of time to look at the legislation and, say, two or three days to read what will be a substantial number of submissions. We had dozens and dozens of submissions to the original Work Choices legislation. You can expect that we will get a number of substantive submissions from the community on these amendments. They will have to be studied very closely. The community will have a week and the committee will have less than a week to review these changes, to see if they are doing what the government say they will do—whether they are actually carrying out their intent or whether there is another series of loopholes that you could drive a truck through. We will have basically a week to consider these changes which are supposed to be substantive ones that will, supposedly, bring reform to the way that AWAs work.

I do not know if the Greens are going to be able to support the legislation, because I have not seen it. I suspect—in fact, I am pretty certain—it will not go as far as the Greens would like it to go. So we need time to assess the legislation, to assess what the community and the stakeholders say about the legislation and maybe even draft some amendments that will fix some of the holes that may or may not be there. But the point is that we need time to do that. The government are treating this place and the community with contempt; the government are treating us with contempt. If the government were serious about getting real input they would allow the committee and the community a substantial amount of time to consider these changes. The Greens will not be supporting this referral date, although I reiterate that we support the referral to the committee. But, quite clearly, the government are treating that process with contempt by limiting it to 14 June, particularly in light of the fact that we will not be seeing the legislation until the end of May. The time for us to consider it as the committee is so short it is laughable.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (9.47 am)—Family First is pleased the government has agreed to have the Family First bill on restoring family-work balance with regard to Work Choices referred to an inquiry. Even though we would have preferred more time, it is better to have the legislation referred through than not at all. Work Choices is a huge issue for the Australian public. People are concerned about whether the right balance has been struck, given that it was a very high risk strategy to say, ‘No problems, no changes,’ and that ripping up Work Choices and AWAs was another position that people were not looking for. They are looking for something in the middle. Family First’s bill was to guarantee public holidays, meal breaks, overtime and penalty rates and redundancy entitlements. These are matters of real concern to Australians, as is getting the right balance. So Family First is pleased that it has been referred through to an inquiry.

**Senator MARSHALL** (Victoria) (9.48 am)—I also want to speak briefly on this matter because I am Deputy Chair of the Senate Employment, Workplace Relations and Education Committee to which these bills are being referred and will have to deal with the practical problems in developing a report after scrutinising the legislation which
is not before the Senate at this time. While we can have political positions about the legislation, when it comes to the practical task of reviewing and scrutinising this legislation it becomes incredibly difficult for us and demeans the Senate processes when we do not have the opportunity to have the legislation in advance and when people who wish to make submissions do not have the opportunity to fully consider the legislation. I do not know how long the bill will be, but the act it will seek to amend is a significant and complex one. The last amendment bill was the Work Choices amendment bill, which was a 600-page amendment bill and created a new bill which sought to fundamentally restructure existing legislation. There are still issues that people are trying to work out. There are still court determinations being made to interpret some of this legislation. To re-amend that bill and to get some proper advice and considered opinions from those interested—the public, trade unions, employer organisations—will take time. If they do not have the time to consider it and if the submissions that they make to our committee are not properly considered, then the task of the committee in scrutinising the legislation is made even more difficult.

We take it as a matter of course these days that the government does not allow us adequate time to scrutinise these matters in the first place. But it makes a mockery of the process, with even that short time to scrutinise the legislation, if the submissions cannot be fully considered because people do not have enough time to fully reflect on the legislation in front of them. The government seeks to refer these bills and we appreciate that; that is one of the fundamental roles of the Senate. But if you are referring them just so you can say that the Senate has gone through its process, again it makes a mockery of the whole system. If we are going to do the job of scrutinising legislation as we should, we should be afforded the necessary time, resources and ability to do our work properly. Having rushed reports and rushed inquiries does nothing for the reputation of this place. I am disappointed, as deputy chair of this committee who will have the practical responsibility of trying to pull together this report, that it is being conducted in such a way. The government should reconsider and should give a reasonable time. Once the legislation is in the public domain or introduced in the Senate, that is when we should start determining times for submissions and times for the Senate to do its job through the committee process. Adequate time should then be allowed for us to reflect on the submissions, reflect on the arguments put before us, reflect on the legislation we have actually seen and be able to prepare a considered report for the Senate as a whole.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.52 am)—by leave—I thank the Senate. The circumstances in which the Senate finds itself are quite clear. This legislation is about providing an extra strand or two to the safety net that is already there for Australian workers. There is a perception, right or wrong, that the safety net that has been provided thus far should be amended and strengthened. We are of the view that that should occur. Given that we are of the view that that should occur, we believe that the sooner it occurs the better for all Australian workers. So it is quite disingenuous of those who feign support for the Australian workers to then seek to delay the consideration of this legislation.

Why are we moving this amendment today? Very simply, if the motion does not go in today, we cannot refer the bill to a committee out of session. We would therefore have to move it on 12 June and then, with all the delays of advertising, hearings and a committee report, we would be a considerable distance further down the track, thus
denying the protection those opposite demand be provided for the Australian workforce. When you take all that into account, you can understand why the government is eager for this to occur as expeditiously as possible.

We had a bizarre contribution from my friend from the Democrats suggesting that, on the one hand, the government was corrupt in advertising its proposed changes and then, in the next breath, saying that we were hiding our proposed changes from the Australian people. You cannot run those arguments in tandem. Either we are putting them out there for the Australian people or we are hiding them. You cannot really have it both ways. Of course, that is the great thing about the Australian Democrats. They always like to have it both ways. That is why they have fallen between the stools of Australian politics.

Senator Bartlett—Where’s the legislation?

Senator ABETZ—And where is the legislation? I remind Senator Bartlett of the problem: a very distinguished predecessor of his from Queensland, Senator John Woodley, moved in this place referral of legislation to a committee before the bill was introduced, as I understand it, for the very same sorts of reasons we are doing so today. So there are precedents in this place that people like Senator Bartlett deliberately shut their eyes to, even when the precedent is from their own side, albeit a very small side, of Australian politics.

Senator Siewert tells us that chances are the legislation will not go as far as the Greens want it to go. Can I tell her? I reckon she is spot on, and I agree with her; it will not be going as far as the Greens want it to, because we will not countenance ‘no ticket, no start’. We will not countenance bargaining fees, and we will not countenance union officials being allowed into workplaces uninvited et cetera. In fairness, the discussion here is in relation to a fairness test for those employed on salaries of $75,000 or less. It is a fairly discrete area in relation to the current industrial relations system that we are seeking to amend to provide extra protection, and that is why we as a government are anxious to get it through as quickly as possible to afford the extra protection for the benefit of the Australian workforce. I would have thought that anybody who professes a concern about protecting the Australian workforce might at least be gracious enough to say, ‘It doesn’t go far enough but at least something is better than nothing and therefore we support the government.’

Once again, this is an example of opposition for opposition’s sake, no matter what the argument might be, even if it means not providing urgent protection for workers, which they claim is absolutely vital. They are prepared to delay it for an extra month or two on the basis of opposition for opposition’s sake. It is very disappointing. We are pleased to have the practical input of Family First into this inquiry. (Time expired)

Question agreed to.

Original question, as amended, agreed to.

LEAVE OF ABSENCE

Senator GEORGE CAMPBELL (New South Wales) (9.58 am)—by leave—I move:

That leave of absence be granted to Senator Carol Brown for the period 8 May to 10 May 2007 for personal reasons.

Question agreed to.

BUSINESS

Rearrangement

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.58 am)—I move:
That the following government business orders of the day be considered from 12.45 pm till not later than 2 pm today:

Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007.


No. 5 Education Services for Overseas Students Legislation Amendment Bill 2007.

No. 6 Primary Industries and Energy Research and Development Amendment Bill 2007.

No. 7 Governance review Implementation (Treasure Portfolio Agencies) Bill 2007

Question agreed to.

Rearrangement

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.59 am)—I move:

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

(1) general business notice of motion No. 789 standing in the name of Senator Sherry, relating to the 2007-08 federal budget; and

(2) orders of the day relating to government documents.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

Business of the Senate notice of motion No. 1 standing in the name of Senator Siewert for today, proposing the disallowance of the Southern and Eastern Scalefish and Shark Fishery (non-quota species) Total Allowable Catch (2007 Fishing Year) Determination, postponed till 14 June 2007.

Business of the Senate notice of motion No. 2 standing in the name of Senator Bartlett for today, proposing the reference of a matter to the Rural and Regional Affairs and Transport Committee, postponed till the next day of sitting.

General business notice of motion No. 634 standing in the name of Senator Adams for today, proposing the introduction of the Wheat Marketing Legislation Amendment Bill 2007, postponed till 12 June 2007.

General business notice of motion No. 791 standing in the name of Senator Milne for today, relating to Colombia and human rights, postponed till 12 June 2007.

BUSINESS

Consideration of Legislation

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (10.00 am)—I move government business notice of motion No. 1:

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

Social Security and Veterans’ Affairs Legislation Amendment (One-Off Payments and Other 2007 Budget Measures) Bill 2007


Question agreed to.

COMMITTEES

Environment, Communications, Information Technology and the Arts Committee

Meeting

Senator NASH (New South Wales) (10.01 am)—At the request of the Chair of the Senate Standing Committee on the Environment, Communications, Information Technology and the Arts, Senator Eggleston, I move:

That the Environment, Communications, Information Technology and the Arts Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 10 May 2007, from 1 pm.

Question agreed to.
PUBLIC ACCOUNTS AND AUDIT COMMITTEE
MEETING

Senator NASH (New South Wales) (10.01 am)—At the request of Senator Watson I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 13 June 2007, from 11.30 am to 1 pm, to take evidence for the committee’s inquiry into financial reporting and equipment acquisition at the Department of Defence and the Defence Materiel Organisation.

Question agreed to.

FOREIGN AFFAIRS, DEFENCE AND TRADE COMMITTEE
EXTENSION OF TIME

Senator NASH (New South Wales) (10.01 am)—At the request of the Chair of the Senate Standing Committee on Foreign Affairs, Defence and Trade, Senator Payne, I move:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade Committee on the Cluster Munitions (Prohibition) Bill 2006 be extended to 31 May 2007.

Question agreed to.

PARENTING BY GRANDPARENTS

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (10.01 am)—I move:

That the Senate—

(a) notes:

(i) the growing incidence of, and pressures on, grandparents who are being called upon to resume the role of parenting of grandchildren because of family tragedies, family breakdown, or the devastating impact of drug or alcohol abuse,

(ii) the important role played by community organisations and support services in highlighting these issues and seeking funding for services, and

(iii) the fundamental role many grandparents play in holding family units together, and their struggle to provide a safe, secure and supportive environment for their grandchildren;

(b) acknowledges:

(i) the support currently provided by government departments and agencies,

(ii) the contribution of peak organisations, including research and reports developed by such bodies as Families Australia (Grandparenting: present and future, January 2007) and, in the Australian Capital Territory, the Canberra Mothercraft Society Inc (Grandparents parenting children because of alcohol and other drugs, 2006), and

(iii) calls to achieve substantive improvements in quality of life for grandparents and the children in their care by advocating for legislative recognition of these particular family units and their unique situations;

(c) recognises:

(i) the need for relevant, current and accessible information as soon as children arrive,

(ii) the potential for significant financial hardship and compromise when they take on parenting of grandchildren,

(iii) the need for access to affordable legal advice and support,

(iv) that parenting over the age of 55 years has significant health impacts,

(v) the significant contribution grandparents make to the social capital of their communities and the nation, and

(vi) the need for further research to identify the extent of grandparent families, particularly Indigenous grandparent families; and

(d) calls for improved responses by government to these issues, including in relation to:

(i) accessibility of relevant information and advice,
(ii) consideration of financial implications,
(iii) legal complexities and costs,
(iv) health impacts on grandparents and children,
(v) impact on grandparents and their contribution to society, and
(vi) the need for further research.

Question agreed to.

SENATOR WATSON

Senator NASH (New South Wales) (10.01 am)—At the request of Senator Joyce, I move:

That the Senate—

(a) notes that:

(i) on 30 April 2007, CPA Australia presented Senator John Watson with the Meritorious Service Award, and

(ii) the Meritorious Service Award is the highest honour bestowed by CPA Australia; and

(b) commends Senator Watson, the father of the Senate, for his long-standing contribution to the Senate and the people of Australia particularly for his work on superannuation.

Question agreed to.

INDIGENOUS AUSTRALIANS

Senator BARTLETT (Queensland) (10.02 am)—I, and also on behalf of Senator Siewert, move the motion as amended:

That the Senate—

(a) notes that:

(i) 27 May 2007 marks the 40th anniversary of the referendum giving the Federal Government the right to make specific laws in relation to 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 and other levels of government to be used to redress the profound economic and social disadvantage continuing to be experienced by many Indigenous Australians;

(c) acknowledges that although important gains have been made since 1967 Indigenous Australians remain the singularly most disadvantaged group in Australia;

(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 2.5 per cent of the Australian population but represent more than 22 per cent of people in Australian prisons and even more of those taken into police custody, and

(iii) experience an unemployment rate more than three times that of non-Indigenous Australians and enjoy an average income only two-thirds the national average;

(e) 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;

(f) recognises that Australia will not reach its full potential as a nation until there is full respect for all its people, including Aboriginal and Torres Strait Islander people and their unique, valuable and continuing heritage of this land; and

(g) 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.

Question agreed to.
INDIGENOUS AUSTRALIANS

Senator SIEWERT (Western Australia)
(10.03 am)—I, and also on behalf of Senator Bartlett, move the motion:

That the Senate—

(a) notes that:

(i) 26 May 2007 is the 10th anniversary of the tabling in the Senate of the Human Rights and Equal Opportunity Commission report, Bringing them home: National inquiry into the separation of Aboriginal and Torres Strait Islander children from their families, and

(ii) as recommended in the report, the Senate recognises that 26 May is National Sorry Day, a day of remembrance each year to commemorate the history of forcible removal of Aboriginal and Torres Strait Islander children and its effects on individuals, families and communities;

(b) acknowledges the efforts to implement the report’s recommendations on support for services to reunite Indigenous family members, such as Link-Up’s counselling support and tracing services, while recognising that the unmet need for these services is still unacceptably large; and

(c) notes:

(i) the release yesterday of the Urbis Keys Young Bringing them home evaluation report, which documents the outstanding work being done by Link-Up services and bringing them home counsellors, and highlights their positive outcomes and high rates of client satisfaction along with their inordinately heavy case loads and high rates of burnout, and

(ii) there remains a need for full implementation of the report’s recommendations in order to provide healing and make reparations to Indigenous people removed from their families.

Question put.

The Senate divided.  [10.08 am]
Thursday, 10 May 2007

SENATE

Question negatived.

CLIMATE CHANGE

Senator MILNE (Tasmania) (10.11 am)—I move:

That the Senate—

(a) notes that most industrialised nations now accept the imperative of constraining global temperature increase to 2 degrees or less to avoid catastrophic climate change; and

(b) agrees that the imperative of constraining global temperature increase to no more than 2 degrees above pre-industrial levels should underpin government policy responses to global warming.

Question put.

The Senate divided. [10.12 am]

(The Deputy President—Senator JJ Hogg)

Ayes………….. 7

Noes…………….. 51

Majority……… 44

AYES

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

NOES

Abetz, E.
Bernardi, C.
Bishop, T.M.
Campbell, G.
Colbeck, R.
Cooman, H.L.
Eggleston, A.
Faulkner, J.P.
Fierravanti-Wells, C.
Forshaw, M.G.
Hurley, A.
Johnston, D.
Kemp, C.R.
Ludwig, J.W.
Macdonald, I.
McEwen, A.
Minchin, N.H.
Nash, F.
Parry, S.
Payne, M.A.
Ray, R.F.
Scullion, N.G.
Sterle, G.
Trood, R.B.
Webber, R.
Wortley, D.

Patterson, K.C.
Polley, H.
Ronaldson, M.
Stephens, U.
Troeth, J.M.
Watson, J.O.W.
Wong, P.

* denotes teller

Question negatived.

IRAQ

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.15 am)—I move:

That the Senate calls on the Government to inform the Senate by 13 June 2007 on the following matters:

(a) the number of civilians displaced by the war in Iraq, both internally and externally;

(b) the circumstances of these Iraqi refugees;

(c) what aid or assistance is going to the refugees and what component of that aid comes from the Australian Government;

(d) how many such refugees have been accommodated in Australia and what plans there are to give refuge to more; and

(e) what calls from the United Nations, the Red Cross or any other international agencies have been made to nations, including Australia, to meet the refugees’ needs.

Question put.

The Senate divided. [10.17 am]

(The Deputy President—Senator JJ Hogg)

Ayes………….. 7

Noes…………….. 48

Majority……… 41

AYES

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

NOES

Abetz, E.
Bernardi, C.
Bishop, T.M.
Campbell, G.
Colbeck, R.
Cooman, H.L.
Eggleston, A.
Faulkner, J.P.
Fierravanti-Wells, C.
Forshaw, M.G.
Hurley, A.
Johnston, D.
Kemp, C.R.
Ludwig, J.W.
Macdonald, I.
McEwen, A.
Minchin, N.H.
Nash, F.
Parry, S.
Payne, M.A.
Ray, R.F.
Scullion, N.G.
Sterle, G.
Trood, R.B.
Webber, R.
Wortley, D.

Patterson, K.C.
Polley, H.
Ronaldson, M.
Stephens, U.
Troeth, J.M.
Watson, J.O.W.
Wong, P.

* denotes teller

Question negatived.

CHAMBER
Question negatived.

COMMITTEES

Public Accounts and Audit Committee

Report

Senator WATSON (Tasmania) (10.21 am)—I rise on behalf of the Joint Committee of Public Accounts and Audit to report on the budget estimates of the Australian National Audit Office for 2007-08. This is a requirement of the Public Accounts and Audit Committee Act 1951 and reflects the Auditor-General’s status as an independent officer of the parliament.

The Audit Office’s direct appropriation in 2006-07 was just over $64 million, with no further funding sought or received during the year. The Auditor-General advised the committee that he had sought additional funding from 2007-08 onwards across two priority areas. First, the Audit Office sought $19.6 million over four years to meet the requirements of new auditing standards. Concerns about the quality of financial reporting, following high-profile corporate collapses, both overseas and here in Australia, have led to more stringent requirements being imposed under the Australian Auditing Standards. The Auditor-General has advised that the standards continue to evolve, with further additional requirements expected to be imposed in the years ahead. Australian National Audit Office audits are, of course, undertaken in accordance with these standards, and the additional requirements have had a direct impact on the level of resources required by the Australian National Audit Office.

Second, the Australian National Audit Office sought additional funding of $3.7 million over four years to increase assistance provided to audit institutions in the Asia-Pacific region. Within the limits of its resources, the Audit Office has provided valuable assistance to other countries. For example, the Audit Office is assisting the Indonesian board of audit and Papua New Guinea’s audit office, and has released staff to work in Afghanistan and the Solomon Islands.

The assistance to Indonesia and Papua New Guinea is being provided under the auspices of AusAID programs. However, the Audit Office is facing increasing calls for more informal, short-term assistance which it is obliged to fund from its internal resources. For example, the Audit Office hosted 34 short-term visits in 2005-2006, involving 319 delegates from a range of countries. I note that the Audit Office was unable to support recent requests for ongoing audit training from Bank Indonesia and Thailand’s Auditor General because of resource constraints. I think that is a shame.

I am pleased to report that, in the course of the budget processes, the Audit Office has managed to achieve an acceptable outcome.
in relation to its request for funding to meet the requirements of the new auditing standards. The Audit Office received half of the new funding sought for meeting the requirements of the new auditing standards—that is, $9.8 million over four years. The Audit Office has also retained funding previously used on the audit of Telstra which will cover most of the shortfall. The Auditor-General resigned as the auditor of Telstra during the year and negotiated to retain the portion of the audit cost that represented the Audit Office’s internal investment in the audit. This amounted to $7.6 million over four years.

The remaining shortfall of $2.2 million over four years will be made up from efficiencies generated by the Audit Office in its operational costs. These efficiencies include changes to the Audit Office’s accommodation arrangements, which will result in substantially reduced rental payments from September 2008. While some of those resources will be required for refurbishment and refitting of premises, there should still be savings available.

The committee notes that the Audit Office did not receive approval in the 2007-08 budget for increased assistance to audit institutions in the Asia-Pacific region. However, the Audit Office will review possibilities of obtaining funding from other sources on a government-wide basis. The committee hopes that government-wide solutions can be progressed as soon as possible given the strong capacity of the Audit Office and other agencies to help encourage better governance practices in our region. I think that is to be applauded.

In addition to these funding arrangements, the committee itself recommended that the Australian National Audit Office receive additional funding of $1.5 million in the 2007-08 budget to produce an annual audit on progress in major defence capital equipment projects. That is a matter that you, Mr Deputy President, have a particular interest in. By way of background, the committee is undertaking a major inquiry into financial reporting and equipment acquisition at the Department of Defence and the Defence Materiel Organisation, following a series of critical reports by the Auditor-General on individual projects.

Although the inquiry is still ongoing, it quickly became clear that there would be significant benefit in the Audit Office being funded to annually review progress in major defence capital equipment projects, in a manner similar to a review conducted by Great Britain’s National Audit Office. The committee therefore released an interim statement on the inquiry late last year, unanimously recommending that the Defence Materiel Organisation produce an annual report on progress in the top 30 capital equipment projects. That report, in turn, would be subject to published assessment by the Audit Office.

The recommendation made by the committee is similar to one made by the Senate which the Audit Office has unsuccessfully sought funds for in the three previous budgets. Both the Audit Office and the Department of Defence have indicated their support for the committee’s recommendation. I am pleased to advise that the Prime Minister has indicated that a submission agreed between the Australian National Audit Office and Defence should be brought forward in the context of the 2008-09 budget to give effect to the committee’s recommendation. We believe that the annual progress report will put the Audit Office and the parliament in a much stronger position to review project management at Defence while major projects are still in train, rather than looking in the rear-view mirror via an audit and parliamentary review sometime after projects are finalised.
The committee had recommended that the Audit Office receive start-up funding for this initiative in this year’s budget; however, that funding was not forthcoming. The Auditor-General has advised that his staff will be able to undertake significant preparatory work within existing resources in the coming year. This is something that the committee will assess as the year progresses.

We acknowledge that the new process will have resource implications for the Defence Materiel Organisation and believe that this should be taken into account as required in future years. Overall, the Auditor-General advised the committee that the Audit Office’s budget for 2007-08 is sufficient to enable it to meet its auditing responsibilities. However, the Auditor-General also advised the committee that the cost of qualified auditors, accountants and audit contractors continues to rise, which does put pressure on its budget.

We note that the Auditor-General has increased the allocation for staff remuneration within the Audit Office’s budget for 2007-08. However, the attraction and retention of staff in the current market will remain a key issue for the Audit Office. In the light of these developments, the Auditor-General has indicated that he will monitor his budget position and market conditions throughout the course of 2007-08, and will inform the committee of his assessment ahead of next year’s budget.

The committee considers it important to ensure that the Audit Office is properly resourced. The Audit Office must be able to attract and retain the high-quality staff it employs to undertake its performance and financial statement audits. We will await further advice from the Auditor-General before informing the parliament on the resourcing of the Audit Office beyond the coming budget year.

The Auditor-General’s advice that his direct appropriation of just over $63 million for 2007-08 is sufficient has been noted and welcomed by the committee and, accordingly, we endorse the budget proposed for the Audit Office for the year ahead.

As this will be the last committee statement on the Audit Office budget before the federal election, I take this opportunity to commend the Auditor-General and his staff for the productive relationship they have cultivated with the Joint Committee of Public Accounts and Audit in this parliament and for the efforts they go to to ensure that we are kept properly informed. Their share of the federal budget is a very cost-effective investment in ensuring that standards are maintained across the public sector and in ensuring that the parliament is able to scrutinise the performance of executive agencies in spending taxpayers’ money. I present a copy of my statement.
tion—Standing Committee—Additional information received between 29 March and 9 May 2007—Prime Minister and Cabinet portfolio.

Additional estimates 2005-06—

Environment, Communications, Information Technology and the Arts—Standing Committee—Additional information received on 29 March 2007—Communications, Information Technology and the Arts portfolio.

Finance and Public Administration—Standing Committee—Additional information received between 29 March and 9 May 2007—Human Services portfolio.

Budget estimates 2006-07—

Community Affairs—Standing Committee—Additional information received between 1 March and 8 May 2007—Families, Community Services and Indigenous Affairs portfolio.

Finance and Public Administration—Standing Committee—Additional information received between—

1 March and 28 March 2007—Finance and Administration portfolio.

29 March and 9 May 2007—Prime Minister and Cabinet portfolio.

Budget estimates 2006-07 (Supplementary)—

Environment, Communications, Information Technology and the Arts—Standing Committee—Additional information received between 28 March and 9 May 2007—Communications, Information Technology and the Arts portfolio.

Finance and Public Administration—Standing Committee—Additional information received between—

1 March and 28 March 2007—Finance and Administration portfolio.

29 March and 9 May 2007—Finance and Administration portfolio.

Prime Minister and Cabinet portfolio.

Rural and Regional Affairs and Transport—Standing Committee—Additional information received between 27 March and 8 May 2007—Transport and Regional Services portfolio.

Additional estimates 2006-07—

Community Affairs—Standing Committee—Additional information received between—


10 April and 9 May 2007—Families, Community Services and Indigenous Affairs portfolio.

Economics—Standing Committee—Additional information received between 14 February and 9 May 2007—Industry, Tourism and Resources portfolio.

Treasury portfolio.

Environment, Communications, Information Technology and the Arts—Standing Committee—Additional information received between 28 March and 9 May 2007—Communications, Information Technology and the Arts portfolio.

Environment and Water Resources portfolio.

Finance and Public Administration—Standing Committee—Additional information received between—

1 March and 28 March 2007—Finance and Administration portfolio.

Parliamentary departments portfolio.

Prime Minister and Cabinet portfolio.
29 March and 9 May 2007—
Finance and Administration portfolio.
Human Services portfolio.
Parliamentary departments.
Prime Minister and Cabinet portfolio.

Legal and Constitutional Affairs—Standing Committee—Additional information received between 12 February and 9 May 2007—
Attorney-Generals’ portfolio.
Immigration and Citizenship portfolio.

Rural and Regional Affairs and Transport—Standing Committee—Additional information received between 27 March and 8 May 2007—
Agriculture, Fisheries and Forestry portfolio.
Transport and Regional Services portfolio.

COMMITTEES
Employment, Workplace Relations and Education Committee

Documents


HEALTH INSURANCE AMENDMENT (INAPPROPRIATE AND PROHIBITED PRACTICES AND OTHER MEASURES) BILL 2007

First Reading

Bill received from the House of Representatives.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (10.32 am)—I move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (10.33 am)—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—
I am very pleased to introduce a Bill which amends provisions of the Health Insurance Act 1973 relating to pathology and diagnostic imaging services provided under Medicare. These reforms, which were foreshadowed in May 2006, will enable the Government to deliver on its commitment to strengthen Medicare.
The Government is firmly committed to ensuring that all Australians have access to affordable world class health care. Since coming to office in 1996, the Howard Government has worked consistently to ensure that vital services are accessible and affordable, with as little out-of-pocket expense as possible for the Australian taxpayer.
The Government is also committed to ensuring that these services remain financially sustainable.
Not only does this Bill strengthen Medicare but it also allows the Government to deliver on its commitment to act on the recommendations of the Phillips Fox review of the pathology enforcement and offence provisions of the Act.
Pathology and diagnostic imaging services play a critical role in health care. They also account for a significant amount of taxpayer funded outlays from the national health care budget. In 2005-06, 83 million Medicare funded pathology services were performed, with approximately 10 million Australians accessing these services. During the same period, approximately 15 million Medicare
funded diagnostic imaging services such as x-rays, ultrasound, CT and MRI were performed, benefiting more than 6.5 million Australians. This equates to expenditure in excess of $3.2 billion, representing approximately 30% of total Medicare outlays in 2005-06.

The Government has committed approximately $15 billion over five years for pathology and diagnostic imaging services through collaborative agreements with the pathology and diagnostic imaging professions and industries. The Government works closely with a wide range of stakeholders to ensure that this significant investment is applied wisely.

Claims have been made that a minority of providers, particularly within the pathology industry, make payments or other considerations so that practitioners will refer patients to them. This can lead to ordering excess services that may not be clinically necessary. Also, some medical practitioners are alleged to have demanded payments or other benefits in return for directing their patients to a particular provider.

I have no reason to think that these unethical practices are widespread. Certainly, if and when they occur, they are not consistent with a doctor’s responsibility to make all clinical decisions in the best interests of patients. They also undermine the integrity of the agreements between the Government and the pathology and diagnostic industry sectors and are of concern to the Government, to the professions and to industry.

The Act currently establishes a range of provisions addressing over-servicing and prohibited practices. These provisions aim to prevent payments for pathology and diagnostic imaging services that do not provide a benefit to patients. However, they have been problematic to interpret and apply because they are expressed very broadly and their scope is unclear.

The Government acknowledges the health sector’s concerns about the lack of clarity in the Act and the potential for many providers to suffer commercial loss because they comply with the spirit of the legislation while their competitors do not.

This Bill amends the Act to express more clearly the Government’s intention to prevent inducements between providers and requesters of services, and to extend the application of provisions to create an enforcement framework that can be more effectively applied.

The majority of the amendments are designed to clarify and strengthen the existing provisions. The amendments have three main aims.

- Firstly, to prohibit certain practices relating to the rendering of pathology and diagnostic imaging services, including to prohibit inducements between requesters and providers of those services;
- Secondly, to prevent payments for pathology and diagnostic imaging services that do not benefit patients; and
- Thirdly, to encourage fair competition between providers of those services on the basis of quality of services provided and cost to patients.

The amendments also create an expanded range of penalties that are relevant to the scale of the offence.

These reforms are proposed to take effect from 1 March 2008.

Currently, section 129AA of the Health Insurance Act sets out offences for offering or accepting inducements to encourage referrals for pathology services. Section 129AA is supplemented by section 129AAA which describes prohibited practices relating to the provision of pathology services.

Similar provisions are included in section 23DZG in relation to prohibited diagnostic imaging practices.

The Bill repeals these sections and replaces them with a new Part which sets out new prohibitions relating to both pathology and diagnostic imaging services.

The revised provisions define those commercial relationships that are permitted between those who can request Medicare funded pathology and diagnostic imaging services and those who provide the services. They also prohibit requesters and providers from being involved in non-permitted transactions, including those that are channelled through third parties.
The provisions include civil penalties where pathology or diagnostic imaging providers offer or provide non-permitted benefits or make threats to requesters. The Bill also prohibits requesters from asking for or accepting non-permitted benefits from providers.

Providers and requesters will also be held liable when non-permitted benefits are asked for, offered or exchanged, or threats are made by someone connected to them. Relationships that would be covered will include relatives, partnerships, and other close financial relationships.

The prohibitions are supported by penalties of up to $66,000 against individual requesters or providers, or $660,000 for corporations.

Similar exchanges of benefits or threats, where it can be shown that the person intended to induce the requester to request services from a particular provider, or where a requester intended to be induced, will represent a criminal offence subject to a fine of up to $33,000, $165,000 for corporations, and/or a maximum penalty of five years imprisonment. These penalties indicate the seriousness with which the Government regards such behaviour.

For the first time, Crown activities, such as those involving Medicare billing by State and Territory health authorities, will be within the scope of the provisions.

The Bill also makes minor technical amendments to the Act to address changes which have occurred within the pathology industry since the existing provisions were drafted. In general, the intent of these changes is to clarify the policy intent of the legislation and to enable more efficient and effective implementation of the policy intent.

As I noted earlier, subject to the agreement of Parliament, these reforms will take effect from 1 March 2008. This will allow all stakeholders to familiarise themselves with the changes and aid a smooth transition.

Before then, the Government will develop regulations to support the legislation. The regulations will provide comprehensive details about specific elements of the reforms. It is important that we get these right. We will work closely with our stakeholders during the development of the regulations to ensure that they do not produce any unintended consequences. We will also consult widely to ensure that the changes are well understood by those who may be affected.

Good will and cooperation between the Government, the professions and industry is one of the best means to ensure that Australians get value for money and quality of care. Legislation is the framework that supports this shared vision by setting the proper boundaries. The time the Government has taken to develop the reforms and to consult with all concerned parties has paid dividends. The Bill before us has been carefully drafted to ensure no negative effect on consumers or those who are assisting them to obtain the services they need and are entitled to.

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

Leave granted; debate adjourned.
Bills read a first time.

Second Reading

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (10.34 am)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

SOCIAL SECURITY AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (ONE-OFF PAYMENTS AND OTHER 2007 BUDGET MEASURES) BILL 2007

The measures in this Bill are a further demonstration of the Government’s commitment to older Australians and carers. These changes ensure that the people of Australia share in the economic prosperity that they have helped to create. In addition, several of the measures will enhance the quality of life for many ageing veterans, especially those with a disability, or their war widows or widowers.

As with past bonus payments, these new payments will be paid in the majority of cases before the end of the financial year. These payments are possible because of the Government’s record Budget surpluses, which have delivered this capacity to give extra support to these members of the Australian community.

The first payment provided by this Bill will go to older Australians. A 2007 one-off payment of $500 will be made to each person of age pension age, who is qualified for utilities allowance or seniors concession allowance on 8 May 2007. Recipients at that date of mature age allowance, partner allowance or widow allowance will also attract the one-off payment.

Older Australians not actually receiving the stipulated payment on Budget night will still get the bonus if they had made a claim by that date and subsequently have their payment backdated to cover that date.

Self-funded retirees will not miss out on the bonus payment – they will receive $500 per person if they are, on that same date, qualified for seniors concession allowance.

Carers are the second group targeted by this Bill. Carers receiving carer income support on 8 May 2007 in the form of a social security carer payment or carer service pension under the Veterans’ Entitlements Act will be paid a $1,000 one-off payment. Carers who receive the non-means tested social security income supplement known as carer allowance in addition to either wife pension or a partner service pension under the Veterans’ Entitlements Act will also be paid a $1,000 one-off payment. Any carer receiving carer allowance will be paid a separate $600 one-off payment for each eligible care receiver. Carers who have claimed the targeted payments on or shortly before 8 May 2007 and are subsequently granted those payments (with effect from 8 May 2007 or earlier) will receive the one-off payments.

Carers whose children qualify for a carer allowance health care card only will not be eligible for bonus payments of $600. Carers who claim carer allowance after 8 May 2007 and whose payment is backdated due to the application of the carer allowance backdating provisions will not be eligible for the bonus payment, even though the backdated period will have included payment for 8 May 2007.

Neither of the special one-off payments provided by this bill will be subject to income tax, nor will either count as income for social security, veterans’ entitlements or family assistance purposes.

The third group assisted by the measures in this Bill are veterans and war widows and widowers.

The Bill provides for a once-only compensation payment to veteran and civilian prisoners of war interned by enemy forces in Europe during World War Two, or their surviving widows or widowers. The Government has previously made once-only compensation payments to persons interned by the Japanese and the North Koreans. Prisoners of war of enemy forces in Europe also experienced extreme brutality and starvation, and suffered from some of the same diseases that affected prisoners of war of the Japanese. These payments are in addition to the special level of benefits POWs and their widows already receive,
including automatic eligibility for a Gold Card and eligibility to receive a war widow’s pension.

The Bill will also amend the Veterans’ Entitlement Act 1986 to increase the maximum amount of funeral benefit payable from $1,000 to $2,000. By doubling the benefit we are making a greater contribution towards the cost of funerals.

In addition, the Bill will increase the amount of the intermediate rate disability rate paid under the Veterans’ Entitlement Act by $25 per fortnight and the amount of special rate disability pension by $50 per fortnight. More than 29,000 veterans with a disability who receive Special and Intermediate Rate pensions will benefit from increases to their fortnightly payments. The pension increase will provide a substantial boost to the ability of disability pension recipients to manage their day-to-day challenges.

Finally, the Bill will also extend the maximum period for backdating of war widow or widower pension from three to six months in certain circumstances. For those eligible war widows and widowers who claim within six months of the death of their veteran partner, the war widow or widower pension will be backdated to the day after the date of death of the veteran. The extension of time to the permissible backdating period will allow those dependants of veterans who are not automatically eligible for the war widow or widower pension more time which to lodge a claim for the pension and will ensure that they are not financially disadvantaged during such a difficult time.

SUPERANNUATION LAWS AMENDMENT (2007 BUDGET CO-CONTRIBUTION MEASURE) BILL 2007

As announced in the 2007-08 Budget, this Bill will make amendments to the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003 to double the Government co-contribution in respect of contributions made during the 2005-06 income year.

Take the example of a person who earned under $28,000 in 2005-06 and who boosted their retirement savings by contributing $1,000 to superannuation out of their take home pay. Provided they already received a Government co-contribution of $1,500.

This person will now receive an extra $1,500 Government contribution.

They have turned their initial $1,000 into $4,000, turbo-charging their retirement savings. This amount will remain invested in their superannuation account, growing over time until they are ready to retire.

In the majority of cases the additional co-contribution will be paid to superannuation funds before 30 June 2007. Remaining amounts will be paid in 2007-08.

This measure will result in an extra $1.1 billion being paid directly into the superannuation accounts of low to middle income Australians. This is in addition to the $2 billion of Government co-contributions that have already been paid into superannuation under this highly successful scheme.

This time last year the Government announced the most significant changes to Australia’s superannuation system in decades, including extending the Government co-contribution scheme to the self-employed. In addition, the income thresholds for the co-contribution scheme will be indexed next financial year in line with growth in wages. These measures are made possible by this Government’s continuing strong record of sound economic management.

Full details of the measures in this Bill are contained in the explanatory memorandum.

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

Leave granted; debate adjourned.

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

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

NATIONAL CAPITAL PLAN AMENDMENTS

Motion for Disallowance

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.35 am)—I move:
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)

of the National Capital Plan, made under section 19 of the Australian Capital Territory (Planning and Land Management) Act 1988, be disallowed.

The Greens have moved this disallowance motion today because of huge community concerns. We want to stand up for the role of the Senate in a true participatory democracy. Quite a number of people in the Canberra community have voiced concerns to both Kerrie Tucker, the ACT Greens Senate candidate, and me—and they have, on investigation, quite a bit to be concerned about. In this case, the Senate is being asked to consider these amendments after the rushed inquiry; the amendments were tabled in the parliament before the committee had an opportunity to conduct that inquiry; and the time for scrutiny of these amendments has been restricted by the 15-day disallowance period, which is up today.

Let me go back that truncated inquiry of the Joint Standing Committee on the National Capital and External Territories. Its report commented:

Due process dictates that the committee should have been given sufficient time to scrutinise the Griffin Legacy Amendments. At the conclusion of this process the NCA could have utilised the findings of the committee and considered whether to incorporate them into the amendments before they were tabled in the Parliament. In rejecting this procedure, the Minister has ignored the role of a committee of the Parliament and the contribution that it is entitled to make.

Those are serious concerns. The parliamentary committees, such as that committee, are particularly important—as you know, Madam Acting Deputy President Moore—to ensure that government proposals are rigorously tested, the community has an opportunity to bring their views and expertise to the table and the executive can be held accountable to some degree at least. In this case, the joint standing committee has worked hard under unreasonable time constraints. It has come out with constructive recommendations but then been ignored by the minister. Here we have an example of this Howard government showing contempt to the parliament as it has repeatedly done since gaining control of this Senate.

The disallowance motion I move here today is as much to support democracy as it is about planning itself. The Griffin Legacy amendments are no small matter. They are of huge significance to the future development of Canberra both as the national capital and as a city in which 320,000 people live and work. The implications extend well beyond the central national capital area. As Enrico Taglietti, the winner of the 2007 Royal Australian Institute of Architects Gold Medal, wrote in the Canberra Times:

One may give the benefit of the doubt to the NCA’s good intentions but that doubt can not be given to the unmitigated arrogance of the minister in refusing the Joint Parliamentary Committee’s recommendation to disallow the amendments.

I understand that the National Capital Authority claims there have been five years of consultation on this issue. But others who have been involved in the process take a different view, including the joint committee, which recommended there be more time given. There is a strong view amongst the community that, while the Griffin Legacy project was an excellent foundation, the amendments do not reflect adequately the underlying understanding of that work, saying:

The Griffin Legacy directs future public and private investment in core areas of the capital where opportunities are created for vibrant, mixed use
precincts alongside cultural institutions, government buildings and major national attractions. It restores the intended urbanity and vitality of Canberra as a cosmopolitan lakeside city.

There has been considerable discussion as to whether the Griffin Legacy document is really ‘a blueprint for future development’. We should look at these amendments very carefully and not be rushed into a decision. The joint committee pointed out:

... the NCA has never explained the urgency in tabling these amendments and apparently seeking to rush these amendments through the Parliament. These amendments will guide urban planning in the Central National Area during the next 25 to 30 years.

I am concerned about the substantive criticisms of these amendments. They are of interest to the present generation and future generations of all Australians and, in particular, those living in this great city.

The bottom line is that these amendments are very significant in terms of future development in Canberra and a significant number of people lack confidence in the current planning process. It is obvious that there are passionate supporters of the national capital who hold quite different views on these amendments and they surely are worthy of respect. It is an example of a healthy democracy to see lively debate and we need to encourage such involvement in that democracy if we are to be able to work together as communities to deal with the significant challenges, including planning the future, which are before us.

There appears to be agreement that these amendments are no small matter—that much we can agree on; they are of huge significance to the future development of Canberra both as the national capital and as a city and a place in which people work and live. However, what experts or community members do not agree on is whether these amendments will ensure the protection of this beautiful city in the landscape or meet critical environmental, social and heritage standards. That is a serious matter of disagreement when there is so much at stake. For this reason, the Greens support the call for more time to be given to strengthening and clarifying these amendments to meet community concerns not only about the amendments themselves but also about the undermining of the democratic and planning processes involved.

If the minister had given the committee adequate time for its inquiry, for public consultation and for the consideration of these amendments, that would be one thing. If he had not so arrogantly tabled them in the parliament, we would not be here today. There would not be so much acrimony about this process had he thought about it, responded more democratically and given more consideration to what is a very important public debate instead of overriding it. But this government apparently no longer thinks that the public, the committee system or the parliament for that matter should be substantially contributing to its decision making and its policy. We disagree. The democratic principle at stake here is so important.

Let me sum this up by saying that, had the minister allowed the committee proper time, we would not be here today. I know Labor may well not support this disallowance motion, but this debate is as much about the failure of the democratic process under the Howard government as it is about the planning process itself. When you fail in that, you leave people angry and frustrated with the democratic process. This is not a police state; this is a beautiful, wonderful democracy. The fact that the government has control of the Senate should not take away its
obligation to respect that democracy. I urge all senators to support this motion.

Senator IAN MACDONALD (Queensland) (10.44 am)—Senator Brown seems to be supporting the disallowance of amendments to the National Capital Plan on the basis of the process involved, not the substantive issues. With respect, Senator Brown has his facts wrong yet again. The consultation process for these particular amendments goes back a very long way. The Griffin Legacy—

Senator Lundy—That would be ‘Griffin’!

Senator IAN MACDONALD—I am sorry; the Griffin Legacy—was first discussed back in 2002, I think, not long after I ceased to be the minister for the territories, including the National Capital Authority. There has been an enormous amount of consultation since that time, leading up to these amendments.

The amendments were released for consultation last year. Extensive briefings and information sessions were undertaken and special presentation tools were provided. These included advertisements in the Canberra Times on 5 and 19 August last year, advertisements in the government Gazette and invitations to the public briefing in the Canberra Times and in other newspapers. There was an information forum on 17 August 2006 for the industry, the professions and community groups. The model of the Griffin Legacy was unveiled on 17 August 2006. There was a DVD presentation, and public information sessions were held on 18, 19 and 20 August and on 12, 13 and 14 September where the Griffin Legacy model is located. On 19 September a Youth InterACT forum was briefed, and there were various other community briefings.

The Joint Standing Committee on the National Capital and External Territories received three briefings on the Griffin Legacy, so the suggestion that the committee was not kept fully informed is simply incorrect. The first was on 23 June 2004, the second was on 13 September 2006 and the third was on 11 October 2006, the latter being particularly on the draft amendments. The Minister for Local Government, Territories and Roads approved the amendments on 27 November and gave the joint standing committee the opportunity to conduct a formal public inquiry. Instead, on 30 November the committee decided that it would conduct a roundtable forum to examine the four amendments. The amendments were then approved by the minister on 30 November 2006 and tabled in both houses on 6 December 2006. The disallowance period passed on 22 March 2007 in the House. It was due to end on 29 March 2007 in the Senate, but I understand that at five minutes to midnight Senator Brown lodged his disallowance motion.

It is probably important to understand the recommendations of the committee. The first recommendation said:

The committee recommends that the Minister for Local Government, Territories and Roads in the future provides the Joint Standing Committee on the National Capital and External Territories with the option of inquiring into every Draft Amendment to the National Capital Plan.

That is rather a curious recommendation, because it has always been the practice before approving an amendment for ministers to write to the committee asking whether or not they do wish to inquire. In fact, this happened in this particular instance. The second recommendation said:

The committee recommends that the National Capital Authority explore options for ensuring that submissions to all the Authority’s consultation processes are made publicly available subject to full approval by the submitter and compliance with the relevant privacy principles ...
The National Capital Authority did advise the committee at the roundtable that it had now implemented procedures to enable the names of submitters to be publicly available with their submissions, subject to their agreement, of course. Prior to implementing this new procedure, the National Capital Authority was prevented under the Privacy Act 1988 from making the submitter’s name publicly available. I am advised that the NCA has now also asked those who made submissions on the draft amendments if they are happy to have their names added onto the website for the record.

The third recommendation did, as Senator Brown said, recommend ‘that the National Capital Authority has the opportunity to further refine the Amendments taking into account issues raised in the committee’s report’.

There has been an enormous lead-up period to this, as I mentioned, and Senator Brown did not move this disallowance motion until five minutes to midnight. Neither his office nor any member of his party sought a briefing from the minister’s office or from the NCA prior to the tabling of his motion. I am advised that his office was briefed last week by the NCA—but at the request of the NCA, not at the request of Senator Brown.

The Griffin Legacy project commenced in 2002 and has been the subject of extensive and comprehensive consultation. As I mentioned previously, this included government, professional, peak industry and stakeholder forums; public meetings; briefings; open days; the use of the internet; and a model developed especially to illustrate the possible outcomes. In addition, at the minister’s invitation the National Capital Authority briefed the joint standing committee on three occasions. Before the minister approved the amendments, the joint standing committee was given the opportunity to conduct a formal public inquiry, but instead the committee chose a roundtable discussion approach.

I could go through the actual consequences of the disallowance if it were successful, but that does not seem to be Senator Brown’s objection. He is talking more about the process than what the amendments will allow. Under the plan, as it currently stands, 1.5 billion square metres of development is allowed. If these amendments go through—that is, if this disallowance motion is not successful—the development potential will only increase to 1.9 billion square metres, which is about a 26 per cent increase. This increase is generally in the West Basin and City Hill precincts, and both areas were always development sites.

I could go through this plan and these amendments in more detail but, as I said, Senator Brown does not seem to be arguing the merits of the amendments but rather the process, so perhaps I will not take the time of the Senate. Suffice it to say, though, that it fits in with the ACT government’s plans for this area. It is always dangerous to try to precis what will happen, but my understanding is that it will allow for greater development in the inner-city areas of Canberra. The point has often been made that, whilst this is a magnificent city—and I am very proud of what our government has done for the national capital over the years and of the work that I did for the three years that I was the minister in this particular area—there is a feeling that there is a bit of a dead heart in Canberra.

Senator Lundy—Don’t say that. You are being offensive, Senator.

Senator IAN MACDONALD—That is not offensive. You really are beyond the pale sometimes.
The ACTING DEPUTY PRESIDENT (Senator Moore)—I remind senators about shouting across the chamber.

Senator IAN MACDONALD—There is a comment that there should be more people and more activity in the central area. It is a comment made by some; it is not perhaps a universal view. The NCA has gone into this, as has the ACT government. There is this proposal for these amendments which will increase the attractiveness of Canberra. I should point out perhaps that, once implemented, these amendments will provide an additional 12 hectares—I want to make that point—of dedicated public open space associated with the inevitable development in these areas.

The amendments—and I thought the Greens would be very interested in this—address water-sensitive stormwater treatment through catchment and settlement ponds; recreation; commuter cycling; and sustainable public transport. They are all areas that the Greens pay lip-service to in their general comments, yet these amendments are going to address those issues and the Greens are trying to stop them. As I said, I could go on at some length about what the amendments will do, but that does not seem to be the point of the disallowance.

I should mention before concluding that all Australians and particularlyCanberrans will be delighted that the government has committed $58.8 million over the next four years to two major infrastructure projects to transform the centre of the national capital consistent with the Griffin Legacy. I see that Senator Lundy is here representing the ACT. I am sure that she will get up and, in her speech, congratulate the government for providing those funds and proceeding with the Griffin Legacy, which, as I said, has been so long in the making. As to consultation and the people involved, qualified, world-class planners as well as the general community have been involved in all of that. That is good news for the ACT. It is good news for all of us, because I think all Australians are very proud of this city as our national capital.

The budget also commits more than $3.1 million per annum for the maintenance of roads and other assets in the capital. The two projects involve the duplication and upgrading of Constitution Avenue and the bridging of Kings Avenue over Parkes Way at the Russell roundabout. The projects to be undertaken by the National Capital Authority will bring direct benefits to Canberra motorists every day of the week. Everyone who drives a car in Canberra will be very pleased about that. Constitution Avenue will be duplicated and a new, quality streetscape will be created. From Russell to Vernon Circle there will be two traffic lanes in each direction, one with bus priority, and on-street parking on both sides of the avenue. A quality public domain will be provided, including pavements, street lighting, street furniture and landscaping. These improvements will realise the avenue as the great boulevard that was envisaged by Walter Burley Griffin for the National Triangle.

The bridging of Kings Avenue over Parkes Way at Russell roundabout will remove one of the worst traffic bottlenecks in the capital. Parkes Way will be lowered and new bridges will carry Kings Avenue traffic over Parkes Way through to the Defence headquarters at Russell. This work will also restore Kings Avenue as one side of Griffin’s National Triangle. These works will significantly reduce travel times between Parliament House, the city and the airport. Construction is going to begin in 2008 and will be completed in 2010. As these works will be constructed entirely within the existing road reservations, they can proceed regardless of this particular motion.
I mention all of those things to indicate this government’s and certainly Minister Lloyd’s great support for the national capital and what it means for all Australians. Our government over many years has been instrumental in building Canberra to the great city it is today. I know that the founder of the Liberal Party, Sir Robert Menzies, was a great supporter of the national capital and all that is in it. Some of the very fine features of the national capital are things that evolved during Sir Robert Menzies’s reign as Prime Minister of this great country. Over the last 11 years our government has put enormous resources and effort into adding to the great city that the Australian Capital Territory is. It is a national capital of which we are all proud. I think the initiatives announced in the budget, along with the amendments proposed for the plan, will make it an even greater national capital for all Australians.

Senator Lundey (Australian Capital Territory) (10.58 am)—Labor will be opposing the Greens motion for disallowance. There are three key reasons for this. Firstly, there is in general an in-principle support for the Griffin Legacy amendments, although it is acknowledged that some finetuning would have been preferred. Secondly, there is a great deal of merit in ensuring a long-term vision to inform planning decisions for the next 50 years in the nation’s capital. Thirdly, we already have two planning authorities with much duplication in the ACT. We do not need a third in the Senate.

Our position is informed by the roundtable conducted by the Joint Standing Committee on the National Capital and External Territories in its review of the Griffin Legacy amendments. Those amendments, for the record, are 56, 59, 60 and 61, affecting City Hill, West Basin and Constitution Avenue, and also an amendment which covers in-principle matters across all of those areas. We are also informed by the committee’s interaction with the National Capital Authority over a number of years, not least, as you have heard, by the extensive consultation and presentations to the committee over quite a period of time.

The first point I would like to make is that the process of disallowance provides for no opportunity to amend the draft amendments to the National Capital Plan. We are not able to do the finetuning that many, including me, believe would have been beneficial to the content of the draft amendments. The disallowance motion is the only mechanism through which we can express a view in the Senate. The roundtable discussion of these Griffin Legacy amendments conducted by the Joint Standing Committee on the National Capital and External Territories understood that it could only be the minister who could give effect to such finetuning. Parliamentary procedures determine that only the minister for territories is able to introduce such draft amendments to the National Capital Plan and there is no opportunity for them to be amended once they are tabled. That is why the joint standing committee pursued the course of action that would encourage and facilitate the minister to make these changes. The committee understood that there needed to be a willingness and intent, if you like, by the minister to make the finetuning changes, as no-one else could. The committee hoped the minister would effectively withdraw the amendments and bring them back after finetuning them. But this recommendation could only be presented in the following way: it could only become a recommendation for the minister himself to move disallowance of the amendments because the procedures of the Senate did not allow even the minister to withdraw the amendments once they had been tabled.

But, as we know, the minister rejected that recommendation from the committee, and that determined that the government was not
willing to make those finetuning changes. It is Labor’s view that, because we cannot do that finetuning in the Senate, and in the absence of the minister taking the initiative, we are dealing with a Greens’ disallowance motion that creates an all-or-nothing path for this group of amendments. In the face of an all-or-nothing proposition, Labor are going for all; we do not believe there is enough reason or argument for these amendments not to progress in these circumstances.

This is because, in all of the strident criticism that was expressed at the joint standing committee roundtable, outright rejection of these amendments was clearly a minority view. Most who criticised the draft amendments offered their qualified or in-principle support for a long-term vision to guide future developments. Subsequent tiers of planning, design and siting supervision will certainly address some of the concerns expressed—although, I have to say, only if there is the will to do so.

Labor believe these amendments are in the interests of long-term planning direction. They reduce the current unacceptably high levels of uncertainty among citizens, community, government and investors, and they will assist social and economic planning by the ACT government. They will also address many existing problems with the amenity of the central area. There has not been a great deal of investment, and the responsibility for that, I believe, lies with the Howard government.

The Greens are opting for the nothing option. I do not think this is surprising. They have not been intimately engaged with committee processes over many years and they have got hold of this issue recently and sought, I suspect, a political opportunity. I am not surprised by that at all. But there is another reason: the ACT has long suffered because of the competing tensions between territory level and national capital planning level authorities. We do have a dual planning system along main roads, so-called designated areas, aspects of Civic, pockets of national capital land and, obviously, the parliamentary triangle, and we are complete with anomalies such as the airport, which was under the sole jurisdiction of the NCA during recent periods of massive office development and now has no planning authority. Also, the pocket of residential land in Deakin/Forrest is under the sole jurisdiction of the NCA.

The last thing the ACT needs is a third planning authority in the form of the Senate. I am not a professional planner—there might be one or two of us here but the majority of us are not—and I would not presume to make subjective and detailed decisions regarding specific amendments. While I respect the opinion of many planners and architects who disagree with the NCA’s conclusions contained in these amendments, I do not think the Senate is the appropriate place to give life to their alternative suggestions or to veto generally supported propositions.

The third point I want to make is that we all have a responsibility to ensure the accountability of ministers and government bodies such as the National Capital Authority in fulfilling their statutory obligations—a point strongly made by Senator Bob Brown and observed succinctly by Senator Ian Macdonald. Both the Labor Party and the joint standing committee have been highly critical of the National Capital Authority in this regard for many years. Ultimately, the primary complaints in the matter of the Griffin Legacy amendments as expressed to the joint standing committee were: the concerns, issues and problems raised by the roundtable ought to have been canvassed, raised and fleshed out by the National Capital Authority before they got to the committee; and the minister having tabled the amendments in
parliament. It is true to say that, had the roundtable occurred prior to the tabling, some of these issues could have been addressed.

As a member of the committee, I have to say that there was no sense of the magnitude of the concerns that existed prior to tabling. The roundtable was a decision by the committee as a way of checking the community sentiment because the committee understood the magnitude and importance of these Griffin Legacy amendments. But as a committee we were shocked at the vehemence and passion of many that participated in the roundtable. It is all good and well to say that in hindsight we would have preferred to have some way of at least advising the minister and the NCA of those concerns, but prior to the roundtable there was no real voice given to that, and that really falls at the feet of the National Capital Authority.

So while political responsibility for this lies at the feet of the minister, because he is the one who tables the draft amendments, I think there ought to be some serious questions asked from the government’s end about how the National Capital Authority really did go about their so-called thorough consultation with the sorts of people who attended the roundtable and who held very passionate views. Why were they not aired prior to this amendment getting to the parliament in the first place?

I also think it was disingenuous of Senator Macdonald to defend the NCA’s consultation process and the claimed privacy issues relating to submissions. After examination of the statistical overview of the NCA’s consultation plan the committee did find that many of the submissions they measured were not substantive. As a committee we felt that those privacy provisions were part of an exercise—whether genuine or not, and I am not judging that; they probably did run into a problem—which had the effect of clouding the clear picture of the views being elicited from the community. Had it been properly done, I believe we would have had a clearer and more balanced view of some of those primary concerns.

Finally, it is important to acknowledge the elected ACT government’s support for these amendments. In the furore about lack of meaningful consultation, the feedback I have had from my ACT Assembly colleagues is that they were thoroughly consulted and that the territory planning authority was closely involved in the development of these amendments. This is not the usual practice, unfortunately, but it adds considerable credibility to the draft amendments to the National Capital Plan before us.

In the spirit of constructive critique I would like to identify some of the universally expressed concerns, and the ones I would like to focus on are traffic and parking. I am concerned that the proposed densities of commercial and residential developments which, I hasten to say, will occur over the next 30 to 50 years—so we have some time to plan ahead—will inevitably result in increased traffic and parking. That is obvious. A thoughtful and realistic strategy must accompany any and all development approvals that may occur over the next 30 to 50 years under the auspices of this National Capital Plan.

I note the federal budget’s convenient and welcome announcement to spend money on road infrastructure at the Parkes Way and King’s Avenue intersection. It is helpful, and I urge both the ACT and the federal governments to keep their attention focused further east around the airport. We know all too well the traffic problems occurring out there. The traffic congestion at the airport is the fault of the National Capital Authority and is the product of what happens when the NCA has
no responsibility for the impact on road infrastructure, traffic flows and associated costs with commercial developments approved at the airport. It is a symptom, I guess, of what happens when there is a disconnect in having two planning authorities.

These issues can equally be related to the increased traffic and parking problems in the Civic and Barton areas. The NCA has long argued for the implementation of pay parking in the Parliamentary Triangle. I think that most people in Canberra are familiar with the parking problems in Civic. The Commonwealth ought to make a contribution to resolving this problem given the Commonwealth’s decision regarding the location of Commonwealth departments and agencies.

In relation to parking ratios in commercial and residential buildings, I understand the Commonwealth and the NCA will adopt, or intend to adopt, the standards of the ACT. The standards or formulae need to address the contemporary needs of Canberra citizens and the workforce. There is a case for serious thought to be given to the current formula particularly if you extrapolate it to possible developments in the medium to long term. So I welcome the investment in Constitution Avenue announced by the government, qualified by my request that extra care and attention be paid to traffic flows and parking arrangements and, of course, useful and sustainable public transport to service these areas.

The care and diligence with which this issue is approached is a big test for the National Capital Authority. They have not shown themselves to be very responsive in the past, so I am not particularly confident. But I think there is a great deal of goodwill emanating from the Griffin Legacy amendment process. I have criticised the NCA vehemently in the past when they have denied the elected ACT government the right to implement policies they were elected on. The NCA is not democratically elected and I have long argued that they ought to respect the authority vested in the ACT government on planning issues when those issues are clearly about the local community as opposed to directly about the national capital and the Parliamentary Triangle.

The ACT has had self government for many years now, and I refer colleagues to the inquiry into the role of the National Capital Authority some years ago which highlighted the red tape contained in the two planning systems for much of Canberra. Labor presented a case for the removal of that duplication. The report acknowledged the maturity of the territory planning system and, importantly, our confidence that many of the precious and unique aspects of the national capital would and could be safely managed by the territory planning authority with due reference to the National Capital Plan.

In conclusion, I have a note on the budget announcements in relation to the Griffin Legacy amendments. Labor will be questioning the Howard government closely on the proposals for funding roads infrastructure and related proposals for land swaps. We are yet to see the detail but, as noted by Senator Macdonald, we do welcome these investments in ACT roads infrastructure. I am confident these amendments will serve us well. A vision and certainty is long overdue. The environment and the design of this city lie at the heart of its warm and wonderful character. We will have an ongoing role in being diligent to ensure that only the best outcomes emerge from this process. I was disappointed at the somewhat condescending and arrogant comment by Senator Macdonald in the government’s contribution to this debate. To even imply that Canberra has a dead heart is inaccurate, irresponsible and shows a lack of familiarity with this wonderful city. I also note that Senator Humphries appears to have
been hiding under a rock throughout this whole public debate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.14 am)—I thank senators for their contribution, but let me say that Senator Lundy has got it wrong about the Senate. The role here is to uphold democracy, to be a house of review, to be a backstop when government makes mistakes, to be a shoulder holder for the government and to make sure that wrong decisions are taken up by the keeper. To confuse that, as Senator Lundy has just done, with the Senate having a role of planner for the national capital is to have a basic misunderstanding of what this place is about and of its constitutional authority and responsibility. In its own press release the committee said:

Federal Parliament’s Joint Standing Committee on the National Capital and External Territories has recommended that the Griffin Legacy Amendments be disallowed so that the National Capital Authority has the opportunity to refine the amendments.

That press release came out under the name of the Chairman, Senator Ross Lightfoot, and of the Deputy Chair, Senator Kate Lundy. Senator Lundy dismisses that as saying that was a call to the government to disallow these amendments so that they could take them back and consider them. But when the government failed to do that, the Labor Party capitulated, threw up their hands and said, ‘Well, what can we do?’ The Greens have come in and said, ‘We won’t capitulate to the government on this.’ As Senator Lundy said, many planners and architects ‘disagree’ with the NCA’s decision. She went on to say that at the roundtable there was a sense of the magnitude of the concerns and that the committee ‘were shocked at the vehemence and passion’ shown by people about these amendments.

Do we simply say that the government turned a deaf ear to that and truncated the committee’s deliberations, so we will capitulate as well? Of course we do not. The role of the Senate is to ensure proper process and that citizens are heard, not least when it comes to the planning for the next 20 to 30 years of this great capital. So I disagree with Senator Lundy; I think it is the role of the Senate and, indeed, of the opposition to stand up to a government when it is failing proper process and failing the citizens. We are a house of review. It is our job to uphold the review potential and power of the Senate, even when the government has the numbers. Had Senator Lundy supported the Greens on this matter, it is very likely that Senator Humphries opposite—he is not opposite now, but he would have had to come in here for a vote—would have been tested on this matter as to whether he stood up for due process for the national capital or he did not. Now he escapes that test because Labor has not put him to it.

Senator Lundy said that we do not need the Senate to be a third planning authority. We do not expect that role. But we do expect it to have the gumption to stand up for proper process when there has been such heartfelt and very informed opinion against the amendments which we are dealing with today. There is no reason why the National Capital Authority, for example, should not have been required to implement detailed rules and enshrine them into the National Capital Plan so that planners and people who love this city but have a different point of view could see that there are at least guidelines for the future, not a void into which all sorts of prescriptive and vested interests can move in the future against the wider interests of the citizens.

Canberra is the nation’s capital. I agree with the government that we are all proud of it and of the way it has developed, what it is and what it represents for this country. But I agree with Senator Lundy that the assevera-
tion by the government senator that Canberra has got a dead heart is insulting, appalling and a blighted view of the magnificence of this green capital. What does the government want Canberra to be—Las Vegas? Is there some form of transformation of Canberra into a different sort of city that the government has in mind here? That is at the very heart of this matter because of course there will be big development proposals coming down the line to jump in on these amended rules; of course there will be pressure coming from the big end of town. What the minister’s representative disclosed here today is that this government is amenable to that pressure. So we should be alarmed and worried. He calls it the dead heart. No, it is not. It is a vibrant, beautiful, living heart of a city that is different. If only other cities had the green space, the relaxation, the delight to the eye that Canberra presents to the citizen and the visitor alike. That comment from the minister’s representative was insulting, unbecoming and ignorant of what this capital is about.

Senator Ian Macdonald—I’ve done more for this capital than you will ever do!

Senator BOB BROWN—He says he has done more for the capital. He has just undone it in three words, in his description of how he views this city, and he should be ashamed of that. I commend this disallowance motion to the Senate. It should put the citizens back into the picture. It should allow for a better period of reflection, debate and even finetuning, although there are major concerns for experts in the field. This process should not be guillotined, as it effectively will be if this last opportunity is overridden, when what we have at stake is 20 to 30 years of the future planning and development of this great city. I commend this disallowance motion to all senators and I hope they will support it.

Question put:

That the motion (Senator Bob Brown’s) be agreed to.

The Senate divided. [11.26 am]

(The Acting Deputy President—Senator C Moore)

Ayes............ 7
Noes............ 44
Majority........ 37

AYES

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

NOES

Adams, J.
Bernardi, C.
Bishop, T.M.
Brown, C.L.
Colbeck, R.
Crossin, P.M.
Ellison, C.M.
Ferguson, A.B.
Ferravanti-Wells, C.
Hurley, A.
Kemp, C.R.
Landy, K.A.
Marshall, G.
McEwen, A.
McLucas, J.E.
Nash, F.
Parry, S.
Payne, M.A.
Ronaldson, M.
Sterle, G.
Trood, R.B.
Webber, R.

* denotes teller

Question negatived.
BROADCASTING LEGISLATION AMENDMENT (DIGITAL RADIO) BILL 2007

RADIO LICENCE FEES AMENDMENT BILL 2007

Second Reading

Debate resumed from 9 May, on motion by Senator Johnston:

That these bills be now read a second time.

Senator IAN MACDONALD (Queensland) (11.30 am)—When the debate on the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007 terminated last night I was making the point to the Minister for Communications, Information Technology and the Arts and her department that, in implementing these and other bills, we need to ensure that the interests of rural and regional Australia are to the fore. As I mentioned last night, as a result of the investigations and work that the committee did I am relatively satisfied that the arrangements being put in place are the right ones and do give flexibility for the future.

Before I conclude, there are two other brief points I would like to make. First, I wanted to congratulate the Chair of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts, Senator Eggleston, who has just come into the chamber. Senator Eggleston is a very effective chairman of this committee. It is easy enough to deal with the Labor Party when they get argumentative on these committees; it is much more difficult when your own side becomes argumentative, and Senator Eggleston has a very good way of getting through difficulties, of liaising with the various members of the committee who have some problems with legislation and of liaising with the minister. He is usually able to resolve these matters very well. It is worth mentioning what an effective chairman Senator Eggleston is.

This legislation is about digital radio, and I want to draw the Senate’s attention to the government’s budget commitment of $10.1 million for community radio stations to begin the implementation of digital radio from January 2009. The funding that our government and the Treasurer provided a couple of nights ago will enable community radio broadcasters to extend their track record in innovation and provide fresh and vital services designed to complement the existing analog offerings. This is the first step in fulfilling the government’s promise to ensure access for community broadcasters to digital radio. For the 40 or so wide coverage community radio stations in the state capitals, it will provide the opportunity to add digital value to ongoing analog operations. I note the media release from the chairman of the Community Broadcasting Association of Australia congratulating the government on its initiative in the budget. Community radio is particularly important in many parts of Australia. As a representative of country Australia, I know only too well what a great job community broadcasting does in making sure local communities are kept aware of events. They involve local communities and they provide a form of expression for local communities. It is good to see the government recognising this. Congratulations to the minister on the budget initiative to assist community radio.

Senator CONROY (Victoria) (11.33 am)—Before I speak to the substance of the debate, I mention that Senator Ian Macdonald made some unfortunate comments when he stood to speak yesterday. Clearly, he had not been properly briefed. We understand that, once you have been moved from the front bench to the back bench, you are in a situation where you are not kept fully in the loop. The government assured the opposition
that the bill would not be debated before 6.50 pm last night, and other arrangements were put in place. It is unfortunate that the government did not keep you informed of that, Senator Macdonald, but I accept your apology for your injudicious comments. I know you are particularly angry that former Senator Vanstone has taken the plum role you were hoping for in Italy. But you just hang in there. I am sure they will find somewhere for you soon—perhaps Iraq.

I rose to speak to the Broadcasting Legislation Amendment (Digital Radio) Bill 2007, which brings with it amendments to the Trade Practices Act 1974, and to the Radio Licence Fees Amendment Bill 2007. Radio broadcasting is a media platform of pivotal importance. Radio is broadcast into nearly every home, car and office across Australia. It can quickly relay news and current affairs, as well as entertainment, to a diverse range of people across the nation. The digital radio bills are of great importance as they have the potential to affect all Australians. The benefits of digital radio to both broadcasters and listeners are enormous. As with digital television, digital radio frees up spectrum, which allows more stations to be broadcast than can be broadcast under the analog regime. The opportunity to broadcast more radio enables broadcasters to develop new and specialist stations dedicated to genres such as sports, gardening, jazz music or children’s programs.

Digital radio brings with it improved sound. No longer will listeners in digital coverage areas have to suffer poor reception or distorted sound. Reception will be free from interference. Digital radio also brings with it ease of tuning. No longer will listeners have to waste time tuning and retuning their radios. With digital radio, there are no frequencies. Instead, listeners instantly tune their radios with the touch of a button.

Digital radio allows broadcasters to provide information to their listeners by way of text and picture images, for example by displaying on the digital radio screen a daily or weekly program guide, the name of the song and its lyrics, news and traffic updates or weather maps. Some digital radios also allow listeners to pause, rewind and even record live radio or programs in the future. This allows listeners to fit radio into their lifestyles, not their lifestyles into the parameters of their favourite radio broadcasts. Given the vast array of opportunities for broadcasters and the benefits for listeners assured by the introduction of digital radio in Australia, Labor supports the intent of the digital radio bills.

However, given the importance of radio to listeners across Australia, Labor considers that digital radio should only be introduced after careful consideration of the digital radio bills and informed debate as to their effect. Here Labor diverges from the government. Both Labor and the government support the introduction of digital radio in Australia. However the government, while acknowledging that this legislation needs some fine-tuning, believes that it should be passed. Labor does not consider that near enough is good enough and, while we support the bill, we do not believe that it should be passed without amendment.

Labor is concerned about the substance of the government’s Broadcasting Legislation Amendment (Digital Radio) Bill and also about the way the Howard government pushed this bill through parliament. Firstly I would like to speak to the deficiency in the substance of the bill. The bill only specifies the use of digital audio broadcasting, known as DAB and also known as Eureka 147, as the technology platform for digital radio in Australia. This provision appears at odds with the government’s own regulation impact statement in the explanatory memorandum.
The explanatory memorandum notes that DAB is unlikely to be a suitable platform to address the extended coverage requirements of some regional and remote services in Australia.

Further, technical trials of digital radio technologies, including Digital Radio Mondiale, or DRM, need to be undertaken to determine which technologies or combination of technologies will best serve people living in regional and remote Australia. If this is the case, why does the bill specify only the use of DAB? Why is the government willing to pass this bill without having undertaken the requisite technical trials? Labor considers that this bill should ensure that the appropriate technologies are in place to enable the rollout of digital coverage to all Australians, including those in remote, rural and regional areas.

Additionally, Labor recognises that the choices to be made today in relation to digital technology will affect the manufacturing sector also. Manufacturers require certainty so they can develop and provide the appropriate technologies to harness digital radio and make them accessible to all Australians.

If it is later decided by the government that an alternate standard, such as DRM, is required so that digital radio will reach regional and remote areas, it will only then be necessary for manufacturers to begin producing multiformat devices with the ability to receive both DAB and DRM signals. Unless a second digital radio standard for regional areas is considered now, manufacturers will have no incentive to produce multiformat devices and the next generation of digital radios will not be DRM compatible. Clearly this is an issue of fundamental importance to Australians living in remote, rural and regional areas, and is pertinent to digital radio manufacturers. Labor considers that it is an issue that should be addressed prior to the passing of the bill.

Secondly, I would like to speak to the way in which the government disregarded the Senate’s role as a house of review and conducted an inadequate and flawed inquiry into the bill. The government referred the bill to the ECITA committee for inquiry on 29 March 2007, with a reporting deadline of 30 April 2007. The committee called for submissions on 4 April, requesting them by 12 April 2007. The objective of the bill is to pave the way for digital radio in Australia. However, the government’s short time frame for submissions saw that parties interested in the future of the Australian radio communications were forced to consider this important legislation in a very short time frame. This has clearly been inadequate. Secondly, the government did allow sufficient time for the submissions to be adequately reviewed and/or considered by the inquiry. Late submissions were accepted by the government and information was provided to the committee just one day prior to the final meeting of the committee. This expedited review process is clearly insufficient. Why is the government so determined to accelerate this bill through the important process of Senate review? Why was the inquiry such a sham? We did not even hold a public hearing. There are some serious and important matters raised in submissions from the public, and yet we could not be bothered, because this government is hell-bent on ramming it through the chamber, to hold a public hearing into some of these important issues.

Labor considers digital radio to be an important technological advancement and one that Australia should adopt. Yet, like all new technologies, it should only be introduced after informed debate and after careful consideration. The government did not allow any such debate or consideration. The majority report, released on 7 May 2007, acknowledg-
edges that fact. Furthermore, the report recommends that notwithstanding that there ‘may be some finetuning needed’—a government Senator’s own words—the bills should be passed. It would appear, then, from its own report, that the government takes the attitude that near enough is good enough.

The government is aware this bill is not quite right—that it requires some ‘finetuning’—but says that it will do and should be passed anyway. If this does not smack of political expediency, what does? The way the inquiry was handled demonstrates the government’s belief that the Senate should not do anything more than rubber-stamp its proposed legislation—a fine example, in this one small bill that has profound consequences, of democracy at work under John Howard!

Labor does support this bill, but it does not in any way support the manner in which the government has made a mockery of the legislative process in getting it across the line. It is on this basis that Labor intends to move a second reading amendment to the Broadcasting Legislation Amendment (Digital Radio) Bill. Labor’s amendment intends to make sure that all Australians are in a position to access digital radio, including those in regional, rural and remote areas, and that there is meaningful consultation to determine how we can achieve such access. The introduction of digital radio in Australia is exciting for all Australians. Digital radio offers a raft of innovations that will change the way we listen and use the radio to receive news, current affairs and music. However, it is important that we get the introduction of digital radio right and that no-one is left without access to this new technology and the benefits it can, and will, deliver.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (11.45 am)—The Democrats strongly support digital radio and look forward to its introduction. However, like other speakers in this place, I point to the shabby process that has occurred so far. There does not seem to be a reason to rush this legislation, because a whole raft of questions were raised during the inquiry process. There has been too little time to consider what are 137 pages of amendments. Questions raised cover the fact that technical trials were not done; issues concerning the DRM platform and its impact on rural and remote area access, and limited spectrum access and the operation of multiplexes; and where the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007 leave community broadcasters in the event that they cease to hold a licence. I think it is not unreasonable to say that the government should have sorted out these problems before we had to deal with the bill itself.

The Democrats will consider the legislation and any amendments that are put up as the debate progresses. However, we recognise the difficulty in trying to fix this bill in the way in which many submitters to the inquiry on the legislation suggested it should be fixed. At the end of the day, this is really up to the government to fix rather than the Senate. I will be moving an amendment, which is not altogether related to the digital platform but is a very pressing issue for us at this point in time. I will come to it when the Senate moves into its committee stage.

Senator WORTLEY (South Australia) (11.47 am)—I rise to speak on the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and related amendments to the Radio Licence Fees Amendment Bill 2007 and the Trade Practices Act 1974. This is an opportunity to pass legislation that will benefit millions of Australians and will see the introduction of a sound policy framework that will enable innovative digital radio services to be accessible by all Australians. It is
an opportunity to establish a framework that includes provisions for appropriate and efficient technology and licensing arrangements. But there are concerns that this is going to be a missed opportunity. The issues surrounding this legislation are complex and the implementation of the legislation is far-reaching, and we have a duty to get it right.

Labor support the introduction of digital radio and the intent of the digital radio bills, but we stress the importance of the legislation having the best possible legislative framework. As it stands, this bill does not meet this requirement. For this reason we will move an amendment so that we make sure we do get it right. It is what the people of Australia expect—that we make sure that all Australians, wherever they live, get access to improvements in technology, and that includes regional, rural and remote areas of Australia.

The Senate inquiry should have provided that opportunity but, instead, it only highlighted the government’s lack of interest in ensuring legislation is adequately scrutinised. Having received the chair’s revised draft report and the final corrected response from the Department of Communications, Information Technology and the Arts only the day before the committee met, members of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts had to vote on whether to accept the final report, which had just one recommendation: that the bill be passed. Is it any wonder that Labor senators presented a minority report requesting an extension of time so that the issues raised during the drafting of the bill could be adequately addressed? Interested parties, including stakeholders, had to read, absorb and respond to the 137-page bill and its amendments in just eight days. It is not unreasonable to expect proper scrutiny. It is not unreasonable for interested parties to be provided with sufficient time to consider and draft submissions. It is not unreasonable to expect meaningful consultation.

The Broadcasting Legislation Amendment (Digital Radio) Bill 2007 will amend the Broadcasting Services Act 1992, the Radiocommunications Act 1992 and the Trade Practices Act 1974 to enable the licensing, planning and regulation of digital radio services. The legislated framework before us enables the provision of digital radio services by commercial and wide-coverage community radio broadcasting licensees and national broadcasters using the digital audio broadcasting, DAB, platform. The ABC in its submission to the Senate inquiry raised concerns that the DAB would not adequately service regional and remote Australia and recommended:

... that an additional digital radio standard that is appropriate for wide-area coverage of regional and remote Australia be adopted before the provisions of the Bill come into effect.

The coalition senators acknowledged this in the committee report, which stated:

The committee hopes that the government will take an approach that minimises barriers to the adaptation of digital radio in rural and remote areas.

When we look at the legislative framework before us, it is nowhere to be found. One would expect there to be some scope in the legislation to move to an alternative platform should it prove to be a better option and therefore provide manufacturers of radio receivers with the incentive to produce multiformat devices that can be adapted to receive DAB and DRM.

In today’s paper, we have the government acknowledging that consideration would need to be given to whether other technologies such as DRM were more appropriate in regional and rural areas and saying that the new system would be reviewed by 2011 to
allow adjustments to the regulatory framework if necessary. Surely the aim should be to get it right from the beginning, get it right for the service providers and the consumers, and provide industry with long-term certainty in relation to technology development.

Our national broadcasters have raised concerns that the requirement to form a company in order to be eligible to access category 3 licences places additional tax obligations and administrative costs on them. Concerns were also raised about the restrictive definition of digital program enhancement content, with the view that to encourage the take-up of digital radio the definition should be broadened to include animation and video clips, which are already available on mobile phones.

The bill’s objective is to pave the way for digital radio in Australia, but there was minimal time for submissions to be written, minimal time for committee members to consider the content of the submissions, minimal time for the committee to consider the responses to its questions provided by the department and minimal time for committee members to adequately consider the full implications of the adoption of the chair’s revised report, with the recommendation to pass the bill. The inquiry process again appears to have been accelerated when there is no apparent time imperative for passing the digital radio bill. So we again see the Howard government’s disinterest in external scrutiny of legislation and again have significant issues raised, but the opportunity for them to be addressed is lost. The time frame was restrictive in that it did not permit the key issues identified as part of the Senate inquiry to be adequately considered—issues including ACMA being able to issue multiplex licences to only digital representative companies and no provision of guaranteed capacity for community radio broadcasting services on all available multiplexes.

Labor senators request that debate on the bill be deferred so that there can be a full assessment of issues raised in the submissions and that issues raised by Commercial Radio Australia, the ABC, SBS and other stakeholders can be adequately assessed. There are complex issues encompassed in this bill that should be addressed now. We should take up the opportunity to improve radio communications legislation and pave the way for digital radio in Australia.

Digital radio is an exciting development. It should be an exciting development for all Australians. It should ensure that rural, remote and regional areas are adequately serviced. It should be a case of access and entitlement issues being well managed. We should take the time necessary to ensure that industry concerns have been addressed in the best way possible; that consumers, wherever they live—city, metropolitan, rural, remote and regional Australia—have access to this exciting development; that the transition to digital radio is as smooth as possible; and that all Australians have access to gaining the maximum benefit from the introduction of digital radio broadcasting.

Senator WEBBER (Western Australia) (11.56 am)—As a member of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts I would like to pick up where Senator Conroy left off about the committee process in dealing with the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007. The committee did not get to formally have a meeting or a hearing on this piece of legislation that the government heralds with great fanfare and trumpets in its budget announcements. We were circulated a few submissions and the chair’s draft report before we even had time to work out whether we wanted to conduct a hearing: such was the hurry that the committee was in. Perhaps

CHAMBER
it is a sign of the way that some committees are conducted in this place.

As I said, a draft report was circulated. We were told, very quickly after that report was circulated, that we needed to have a teleconference to adopt the report. Unfortunately, that could not take place with the alacrity that the chair wanted, because I for one need more than 12 hours to consider things. I was not prepared to take a draft report one day and sign off on it the next morning, and that is what was proposed. It was an unnecessary rush. At that point, when the draft report was circulated and the initial teleconference was suggested, we had not even received the response from the department. So there is room for improvement when it comes to the way that this committee is conducted, with regard to the pressure that the government perhaps puts on members of the committee and the way that they therefore conduct themselves.

If this is about the use of new technology and new advances in communications then perhaps we could actually be given the time by the department to consider their response to the matters that were raised in submissions before the committee is unnecessarily rushed into it. This is not the first time that it has happened in this particular committee, so perhaps we have some issues that we need to deal with.

As Senators Conroy and Wortley mentioned, we not only have concerns about the committee’s tight deadlines—and that is a growing issue with the way that the government is choosing to treat some of the committees in this place—but also have some issues with the legislation itself. It was a fast-tracked process, but the submissions that the committee did get revealed a number of significant issues that we felt we could have taken further time to consider.

As I said, the submissions revealed significant issues with the drafting of the bill. The short reporting time frame that we were given, particularly when considering the response from the department, did not permit the committee to fully explore all of those issues. We could have, if we had had the chance to fully explore them, corrected some of the issues within the bill, or our concerns may have been alleviated and we may have found it was a matter of misinterpretation. I think we need to fix the process. If we are going to talk about the significance of this advance in legislation and the budget announcements as heralded by Senator Macdonald, we need to get the process right so that, if this is as good as the minister says it is, we can all support the bill process. I formally move the second reading amendment that has now been circulated in the name of Senator Stephen Conroy:

At the end of the motion, add:

“but the Senate:

(a) notes:

(i) that the inquiry into the bill by the Environment, Communications, Information Technology and the Arts Committee did not allow interested parties sufficient time to consider and draft submissions to the committee, this constraint not allowing meaningful consultation on the bill;

(ii) the lack of information as to how the omission of the Digital Radio Mondiale (DRM) platform from the legislation will affect the roll-out of digital radio to rural and regional Australia;

(iii) that this legislation only specifies the use of Digital Radio Broadcasting; and

(iv) that trials on DRM and compression standards are still being carried out;

(b) calls for debate on the bill to be deferred until meaningful consultation has occurred; and

(c) demands that the Government make every endeavour to ensure that standards are in place to
enable the rollout of digital radio to remote, rural and regional Australia”.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (12.00 pm)—I commend Senator Webber for waffling on about however long was required for Labor to get their act in order on this second reading amendment, which seems to have been largely the same as the one in the House of Representatives! Anyway, let us be charitable about this. The Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007 provide the Australian radio industry with a unique and important opportunity to commence digital radio services. These bills provide for the introduction of digital radio services using the digital audio broadcasting or DAB standard initially commencing in the state capital city markets by 1 January 2009.

Digital radio has the potential to provide a range of new and innovative services to listeners and thereby enhance the quality and diversity of radio services currently enjoyed by millions of Australians every day. Yet I note that the opposition is calling on the government to delay the introduction of the new technology, citing a lack of consultation with industry and suggesting that regional radio listeners have not been included in this process—I will deal with both of those issues a little later. In fact the Australian radio industry has been working closely with government for three years in the development of the policy that is implemented through this legislation. Numerous opportunities have been extended to major stakeholders to contribute to the development of the policy framework, and their valuable contributions and how important this is to the radio industry have been embraced and welcomed by the government.

The Senate committee’s recent report on the provisions of the bills noted that submissions to the inquiry were very supportive of the bill’s intent and the majority of its provisions. Indeed, I think it is fair to say that the interest of these stakeholders in commencing digital radio has been a key factor in bringing this legislation forward. The Australian radio industry, which has to implement this legislation and use this technology, has lobbied strongly for the introduction of digital radio to enable it to respond to the opportunities and challenges of an emerging digital media landscape. It astounds me that the opposition and others do not see the relevance of getting started in digital radio. If you wait until the technology all aligns, you will never start. Technology continues to develop, and the legislation is flexible enough to allow reassessment—and there is a legislative review in 2011, which I will get to.

There are opportunities and challenges presented by this legislation and the adoption of digital radio. These opportunities will simply pass the industry by if we have troglodytes looking at this sort of legislation who do not understand that technology evolves and changes and that you cannot nail it to the floor until it all lines up and then start. It does not work like that with technology because it will be obsolete by the time everybody agrees on it in a Senate committee.

This government is very supportive of the intention of introducing digital radio. It is the last significant broadcasting platform to remain analog only, and digitisation is a key strategic priority for radio—they do not want to be left behind; they want to get on with it. The legislation provides the radio industry with an opportunity to go digital in a manner which incorporates the lessons learned from digital radio implementation overseas. We know from our inquiries and the extensive research that has been undertaken, for instance, that digital radio is generally preferred as a supplementary technology to analog radio rather than as a replacement—
different to television. Analog radio shutdown may well be a long-term prospect but only a long-term prospect at best, and the dual operation of analog and digital is a reality for all countries that have commenced digital radio.

In recognition of this, the legislation provides for a progressive transition to digital radio without seeking to mandate both an unrealistic and costly conversion from analog. The first digital radio broadcast is to occur in the state capital city markets on or before 1 January 2009 using the DAB standard. The use of DAB as the primary platform for digital radio in Australia has the strong support of the Australian radio industry, including the ABC. It is widely recognised that DAB is the most developed terrestrial digital radio platform already introduced in a range of countries—and, importantly, for a small to medium country like Australia, there are a range of reasonably priced DAB consumer receivers available on the international market.

Contrary to the suggestions of the opposition, listeners outside the state capitals have not been and will not be overlooked. The legislation will enable the commencement of DAB radio services in regional markets, depending on the interest of relevant broadcasters in providing services. From my conversations as I travel around Australia and talk to broadcasters in rural and regional Australia, there is strong interest, and we aim to ensure that they will be able to access this new technology. However, I am pleased to note that the commercial radio industry has expressed considerable interest in providing DAB services in markets such as Newcastle, Wollongong, Geelong, Hobart, Darwin and the Gold Coast, and it is reasonable to expect that listeners in these markets will be provided with DAB radio services in these areas sometime after 2009. While DAB is the clear choice for the implementation of digital radio in Australia’s larger metropolitan and regional markets, it is acknowledged that the platform—

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! I would ask that conversations in the chamber cease while a senator, particularly a minister, is speaking. Please resume, Minister.

Senator COONAN—It is, however, acknowledged that the platform may not be able to replicate the extensive broadcast coverage of some AM services. Consideration will need to be given to whether other technologies such as Digital Radio Mondiale, or DRM, are better placed to address the audience needs of some regional areas. I think it should also be noted that, at this time, DRM is not a widely deployed technology nor has it received significant commercial support. Only recently have manufacturers even committed to producing DRM sets in any meaningful numbers. In my view, there would be clear risks if Australia were to draft legislation to specifically support or even mandate the introduction of a technology that is yet to achieve significant commercial support in overseas markets.

This consideration, together with the view of digital radio as a supplementary rather than a replacement technology, supports the conclusion that it would be simply premature for Australia to develop a detailed and specific regulatory framework for alternative digital radio technologies at this time. However, there would be a clear benefit in continuing the assessment of the technology options for regional digital radio, and we think it is a sensible way forward. It is consistent with the government’s stated commitment to ensuring equitable access to new services in broadcasting by people living in rural, regional and remote Australia.

To this end, the legislation provides for a statutory review, as I mentioned, by 1 Janu-
ary 2011 of technologies for the transmission of digital radio broadcasting services and restricted datacasting services in regional licence areas. This review will allow for the appropriate consideration of issues such as the availability of equipment for and the coverage characteristics of various digital radio technologies as well as the types of services that could result from the use of those technologies in regional areas and will thus allow for adjustment to the regulatory framework should that be necessary.

The bills provide for the participation of wide-coverage commercial national and community broadcasters in the first phase of digital radio implementation. This recognises that the strength of Australian radio over recent decades has been based in no small part on the individual contribution made by each of these sectors. To back this up the federal government has provided funding of over $10 million to help community broadcasters establish digital radio infrastructure. It was a very important although quite small initiative in what was a most significant budget.

The government has also committed to funding the rollout of infrastructure to support the delivery of digital radio services by the national broadcasters, the ABC and SBS. Together these initiatives will enable the sectors to participate with the wide-area commercial broadcasters in the commencement of digital radio services in the state capital cities on 1 January 2009. In Australia, the national broadcasters play a vital role in the Australian radio market and they are a critical source of service diversity, with their services highly valued by audiences across the country. Similarly, community radio is an established player in the radio broadcasting landscape also making a valuable contribution to the diversity of offerings of radio services. This funding package will ensure that the roles of the respective sectors are carried forward in the digital environment.

So, taken as a whole, the measures contained in this legislation cement radio’s important position in the Australian media landscape, providing industry with the opportunity to invest in innovative new digital content and provide listeners with a rich and more diverse radio offering.

I do want to address a couple of matters that have been raised in connection with the opposition’s second reading amendment, the first of which is the suggestion, indeed the claim, that this legislation has been rushed and calling into question the degree of consultation. The Australian radio industry has been working closely with the government, as I have said, for three years in the development of the policy that is implemented through this legislation. Numerous opportunities have been extended to major stakeholders to contribute to the framework’s development.

I just wanted to mention that back in December 2004, which is almost ancient history when you are looking at this kind of technology, the government initiated an extensive process of industry consultation, research and policy development to examine the most appropriate technology and framework for the introduction of digital radio in Australia. It culminated with the release by me in October 2005 of a policy framework to guide the implementation of digital radio which is now being implemented through this legislation. And—to borrow a well-known phrase—guess what? Nobody seemed to suggest that there was anything wrong with the policy framework. I never heard the opposition complaining about any of the policy framework as it was being developed. Indeed, it had the strong support and involvement of industry, and the framework was warmly received by the major stakeholder groups when it was announced. The stakeholders have been further involved in the development of the legislation to implement...
it through the release of an exposure draft of
the bills prior to their introduction to parlia-
ment and through the Senate committee’s
inquiry.

Somehow or other all this went under the
radar, from 2004 until the Senate inquiry. You
would think the Senate inquiry hap-
pened over 24 hours, but it went from 29
March to 30 April. That is hardly a rushed
inquiry, and I reject any suggestion that the
committee were anything other than able to
deal with the issue. If they could not, it really
calls into question their ability to get their
heads around what has been on the table now
since about 2004.

The government’s policy development
process has been open, it has been transpar-
ent, and we can hardly take the blame if peo-
ple do not wake up when they have some
issues with it. The committee’s report on the
provision of the bills said that the submis-
sions were very supportive of the bills’ in-
tent—and, indeed, industry wants this. I in-
tend, as far as I am capable of delivering this
legislation in this place, to ensure that they
have it.

In sum, we have an interest in proceeding
with the legislation to reflect the industry’s
stated desire to get on with it and to actually
commence digital radio. The Australian radio
industry have lobbied strongly for the intro-
duction of digital radio because they want to
take advantage of the opportunities and chal-
lenges. The opposition should get out of the
way and let them have it, because they actu-
ally run the industry.

I have mentioned in my summing-up re-
marks the fact that we do acknowledge that
technology evolves, and it is important that
we continue to look at the best way to deliver
it in other areas such as rural and regional
Australia. We will continue to ensure that
consideration is given to other technologies
such as DRM. It may not be the best, but we
will continue to look at what will be. It is not
widely deployed, so we certainly do not want
to go down the path of adopting something
that might otherwise not be a commercial or,
indeed, a proper solution.

This legislation, as I have said, provides
for a statutory review, and we will keep it
closely under review. It is the intention of
this government that digital radio will be
available throughout Australia, and we will
do it in a measured and a considered way
that will allow the industry to adopt the tech-
nology that best suits them and certainly to
deliver the services that will help to meet the
needs of Australians regardless of where they
live.

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

In Committee

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

Senator ALLISON (Victoria—Leader of
the Australian Democrats) (12.17 pm)—I
move Australian Democrats amendment (1)
on sheet 5249 in respect of the Broadcasting
Legislation Amendment (Digital Radio) Bill
2007:

(1) Schedule 1, page 29 (after line 31), after
item 52, insert:

52A After subsection 122(2)

Insert:

(2A) A standard under paragraph (2)(a) must
include standards for the control of
food or beverage advertising, includ-
ing:

(a) that advertisements for food or for a
beverage must not be broadcast dur-
ing a C period; and

(b) that no advertisement or sponsorship
announcement broadcast during a C
period must identify or refer to a
company, person or organisation
whose principal activity is the manufacture, distribution or sale of food or of a beverage—this requirement is in addition to the requirements of the Commercial Television Industry Code of Practice; and

(c) that no advertisement for food or for a beverage may be broadcast during a C program or P program that is broadcast outside a C period or P period, or in a break immediately before or after any C program or P program; and

(d) that no advertisement or sponsorship announcement broadcast during a C program or P program that is broadcast outside a C period or P period, or in a break immediately before or after such a C program or P program, must identify or refer to a company, person or organisation whose principal activity is the manufacture, distribution or sale of food or of beverages—this requirement is in addition to the requirements of the Commercial Television Industry Code of Practice.

(2B) A standard made in accordance with subsection (2A) may permit the making of community service announcements regarding food and beverages.

Note 1: For the purposes of subsection 122(2B), an example is where a public health or education organisation makes a community service announcement in relation to food or beverages.

Note 2: C and P Programs and C and P periods are defined in the Children’s Television Standards (made under subsection 122(1) of the Broadcasting Services Act 1992).

Note 3: ‘children’ is defined in the Children’s Television Standards (made under subsection 122(1) of the Broadcasting Services Act 1992).


This bill provides an opportunity to address, through the Broadcasting Services Act, one of the most serious health problems facing the country. Obesity has doubled in Australia over the last 20 years. More than seven million adults are overweight or obese, and our rate of childhood obesity is one of the worst in the world. Recent research published by the Menzies Research Institute showed that overweight children are highly likely to experience the same problem in adulthood, but even children who are a healthy weight are going on to become obese adults.

Cardiovascular disease remains Australia’s biggest killer, with 50,000 deaths a year. That death rate has tapered in the last 20 years because of remarkable advances in surgery and drugs, but we will see increases again as the obese generations grow older. Type 2 diabetes has doubled in Australia over the past 20 years. There are more than one million sufferers, and another one million have a prediabetic condition that will almost certainly develop into full-blown diabetes.

The death, injury and financial burden of these conditions is overwhelming. Obesity alone has been estimated by Access Economics to cost the country $21 billion a year in health costs and in lost productivity, amongst other things. If this epidemic spread of obesity and related disease continues, life expectancy in this country will actually start to drop. We recognise that there is no magic fix to these problems, but there are some solutions. Unfortunately the government’s response has been very slow and uncoordinated, and it has failed to tackle some pretty obvious responses to improving diet and lifestyle.
Marketing of food to children is one of the most glaring examples of this government’s failure to respond. TV advertising is the most effective method for reaching young children, and it does reach young children right across the country at an earlier age than any other form of advertising. As we all know, it works and it works extremely well. Advertising for food that is high in fat, salt and sugar accounts for almost all of the food advertising on television.

The World Health Organisation has judged that TV food-advertising to children is a probable cause of childhood obesity. It is not the only cause, but the evidence is that it has an undesirable effect on children’s diets. Just this week we saw accounts of sweet and acidic beverages identified as responsible for tooth decay. Indeed, I think the Prime Minister suggested that fluoride should be introduced into drinks in cans and bottles, particularly water and substances like Gatorade.

I think children need to receive very strong messages about the importance of healthy diets and physical activity. The government has put money—many would argue nowhere near enough—into physical activity measures, but it is still ignoring the other side of the equation, and that is healthy eating habits. We need restrictions on advertising of unhealthy foods, and that includes bans on advertisements for food during children’s TV viewing times at a minimum.

Our amendment does not try to define junk food. That would make it altogether too easy for action to be delayed while debates rage about what is and what is not okay to be advertised and too easy for the marketing companies to come up with ways to get around such restrictions. McDonald’s use of the Heart Foundation’s tick system shows just how such things can be manipulated. That is why we are suggesting a system that stops all advertising of food unless it is a community service announcement.

We already protect children from the advertising of alcohol and tobacco and high levels of violence during TV programs. The Democrats say that we should be doing the same with unhealthy food. It is true that individuals have to make the changes—governments cannot make them for them. But governments do have a responsibility to make it as easy as possible for people, particularly parents, to make healthy choices and change their habits.

Australia has led the world in tackling other public health epidemics. Our action on smoking has been second to none, meaning that we now have one of the lowest rates in the world. Our response was very good on HIV-AIDS too, and the same is true of that disease. We could do the same for obesity. What we need, though, is political leadership and the courage to do it. Madam Acting Chair, I suggest to you and other members of the Senate that our amendment would go a very long way towards solving this problem and it ought to be supported.

Senator CONROY (Victoria) (12.23 pm)—I indicate on behalf of the opposition that, whilst Labor has much sympathy with many of the aims and objectives that Senator Allison has outlined, we are currently involved in a process. There is an ACMA report due soon, I think—and I am sure that the minister will inform us about when it is due—that addresses many of these issues. While this bill is part of the broadcasting act, the substance of the amendments that the Senate committee dealt with did not cover any of the arguments that Senator Allison has made today. It perhaps would have been helpful if some of these issues had been raised during a committee process rather than turning up here—
Senator Allison—There was no committee process.

Senator CONROY—although I do confess that that might have been hard because there was not a committee process. We did not have any hearings. There was no opportunity for these issues to be raised in a serious sense. I think that is a very fair interjection which I will happily take.

There are a number of issues that I think the ACMA report will help us with in the consideration of this important matter. I think there is some recent evidence. A blanket ban in Norway and Sweden tends to suggest that this is not the entire answer. These are issues that I think we should debate and discuss. In Norway and Sweden I understand that the childhood obesity issue has continued to grow despite the fact that there has been a ban in place for some time. So the correlation is not necessarily as strong as is suggested in these jurisdictions. These are the issues that I think we need to have out there fully. I would welcome a Senate inquiry if we could convince the government that it was worth while to look into these matters. I would hope that we could perhaps convince the government between us that it is worth while going down that path.

I also have concerns that, while the growing evidence of childhood obesity shows that there is a growing problem, the number of eyeballs watching TV is actually decreasing substantially. So, again, issues around whether or not there is a direct correlation come into play. If fewer and fewer children are watching television and are going to the net, for instance, then you have an issue of whether this is the best way to address this. Should the net be included? These are the sorts of issues that I think need to be teased out as part of a more open process than just standing up today and moving this amendment.

I do have some concerns about an approach that says, ‘Look, it’s too hard to define, therefore the easiest way is to say no to everything.’ I think that a little bit more work, developed through this committee process that we could perhaps encourage the government to join us in, would be a wiser way to go than just to simply take the approach that you have.

Whilst Labor is very sympathetic to many of the issues and objectives that you have raised, I think it is a little premature to move this amendment at this point. I am particularly interested in the ACMA report. I am hoping that we will be hearing the exact date of arrival and release of that report from the minister. On that basis, Labor will not be supporting the amendment, but perhaps we could work together to convince the government to allow a Senate committee to do a proper examination of this in conjunction with the ACMA report. I indicate that we will not be supporting the amendment.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (12.26 pm)—The government opposes this amendment, and I will say why. I must say that I think the issue is certainly worthy of debate and discussion, but it is not clear why the Australian Democrats want to include this amendment right at this stage, in a bill which deals with the introduction of digital radio. The focus of this amendment is really on television. I think that Senator Conroy has pointed out, and I agree with him, that it is becoming a less influential medium. If this is a pernicious influence, there are a lot of other platforms over which it is spread more widely.

Let me say for the record that the Australian government does take very seriously the health of all Australians, especially the health of children. I think that everyone here does. I think it is fair to acknowledge that. The gov-
Government considers that the issues surrounding advertising and childhood obesity are complex. The Healthy Living Ministerial Taskforce that I am actually on was launched in July last year to coordinate an anti-obesity campaign involving collaborations between government, industry and the community.

The Children’s Television Standards already impose obligations on broadcasters regarding advertising during children’s viewing times. I think it is worth noting them. No advertising is allowed in preschool programs and limitations are placed on the broadcast of commercials in children’s viewing periods. More specifically, an advertisement for a food product must not contain any misleading or incorrect information about the nutritional value of the product and advertisements must not be designed to put undue pressure on children to ask their parents or other people to purchase an advertised product.

The Children’s Television Standards are currently being reviewed by the Australian Communications and Media Authority, ACMA, and the role of advertising in childhood obesity will be considered as part of the review. It is to be completed in late 2007. I would encourage all of those with an interest in this matter to take the opportunity to raise their proposals in that context because it is already set up to receive them.

All commercial television broadcasters are also governed by the Commercial Television Industry Code of Practice. The code covers, amongst other things, obligations regarding advertising to children. It is designed to reflect prevailing community standards. The advertising should not encourage unhealthy eating or drinking habits and must not contain any misleading or incorrect nutritional information. A review of the code is expected to commence in July 2007. This will also present an opportunity for those concerned about these matters to raise their proposals.

I also note, for the sake of comprehensively addressing where reviews are up to, that the Australian Association of National Advertisers, AANA, code for advertising to children also includes provisions relating to food and beverages. Television advertisers are expected to ensure their commercials comply with this code, which provides that advertising should not encourage or promote an inactive lifestyle combined with unhealthy eating or drinking habits, and advertising must not contain any misleading or incorrect information about the nutritional value of that product. I understand that the AANA code is also currently being reviewed, although it does not come immediately under my portfolio responsibilities, and the AANA has called for public submissions by 1 June 2007. These various reviews will each provide for public consultation and give all interested parties an immediate means of raising issues of concern about the current regulations governing food advertising to children. With those reviews on board we will not be supporting the amendment.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (12.30 pm)—I will respond to a couple of the comments made. I do know that ACMA has a process underway right now but the great concern here is the growth in consumption of the kinds of foods and beverages which are being advertised. That is why we are raising this amendment. That growth has taken place at a time when we have codes of practice that say pressure should not be exerted on children through the advertising of food and beverages. The fact of the matter is that those codes are very weak and they are ignored daily. Quite frankly, the industry has not shown a responsible position on this issue, which is at least part of the reason we have the problem that we have. I hope that process
comes up with a much more comprehensive code, but I somehow doubt it.

You have to ask yourselves why it is that advertisers want to advertise food and beverages in children’s television times. They are not doing it out of the generosity of their hearts; they are not doing it because they are amusing children with their various ads. I am sure they are amusing. Why are they doing it? Because it works, because children do put pressure on their parents in order to buy whatever it is, whether it is soft drinks, McDonald’s or something else. They work, and not because the parents see the ads; they work because children are convinced that is what they ought to have. Children are not discriminating. Children are not able to say, ‘This is just an ad.’ Children do not understand that; children look at television and think that what is being said to them on television is the truth. They understand that they should be doing what they are being shown. That is the whole reason we have restrictions on children’s advertising. I wish that process well, Minister, but my guess is that it is not going to deliver much more by way of dissuading advertisers of food which is not healthy for children from advertising it on television. That is the fact of the matter.

Sadly, codes of practice in the advertising industry are broken the whole time. The authority has a wet rag to wave at advertisers by way of stopping them doing this and penalising them for it. It is a code of practice and it is time, frankly, that our laws reflected a much stronger position. As I say, I would not be moving this amendment were it not for the fact we have a growing problem. We have had that code of practice for a long time and it has not worked. We have a growing problem and we need to do whatever we can to turn it around. That is the purpose of this amendment.

Question negatived.

Bills agreed to.

Bills reported without amendment; report adopted.

**Third Reading**

**Senator COONAN** (New South Wales—Minister for Communications, Information Technology and the Arts) (12.34 pm)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

**TAX LAWS AMENDMENT (2007 MEASURES No. 2) BILL 2007**

**Second Reading**

Debate resumed from 9 May, on motion by **Senator Johnston**: That this bill be now read a second time.

(Quorum formed)

**Senator SHERRY** (Tasmania) (12.37 pm)—We are dealing with the Tax Laws Amendment (2007 Measures No. 2) Bill 2007. Labor supports this bill. I will run through some of the provisions in the legislation. Schedule 1 deals with the effective life provisions of mining rights. Under the uniform capital allowance provisions, taxpayers can deduct the decline in value of depreciating assets used for income-producing purposes. The decline in value is worked by using the effective life of the asset which resembles the period over which any taxpayer uses the asset. The general depreciation rules do not apply to certain intangible assets listed in the 1997 act. Instead, the uniform capital allowance provisions prescribe statutory effective lives for these intangible assets. A statutory effective life means that the legislation stipulates the effective life of these assets. Taxpayers cannot self-assess and the commissioner does not set the effective life of these assets.
Mining rights were included in this list in the 1997 Act by the Taxation Laws Amendment Act (No. 4) 2003 and linked the effective life of a mining right to the life of the relevant mine, petroleum field or quarry. An unintended consequence of including mining rights in this list has been that some taxpayers using the diminishing value method for working out the decline in the value of their mining right have wrongly believed that the effective life was based on the whole rather than the remaining life of a mine to which the mining right relates. Further, holders of mining rights wrongly believed that they had to assess the life of the right annually. This results in outcomes that are inconsistent with other depreciating assets under the uniform capital allowance regime, which was not the intended outcome of TLAB4 of 2003.

The amendments in schedule 1 of the bill clarify the treatment of mining rights by removing mining rights from the table in section 40-95(7), listing intangible assets with statutory effective lives and, secondly, inserting new sections, 40-95(10) and 40-95(11), to work out the effective life of mining rights separately from other assets. These amendments clarify the law so that it reflects the original policy intent. The changes mean that a taxpayer requiring a mining right from a prior holder will be able to estimate the remaining, rather than the whole, life of the existing or proposed mine to which the right relates, as with other assets. The amendments provide that taxpayers work out the effective life of their mining right themselves by estimating the period until the end of the life of the mine, quarry or petroleum field. Taxpayers holding mining rights will have the choice of using either the prime cost or diminishing value method in calculating the decline in value, as with other assets. Once the life of the mine has been estimated, there will be no requirement for a yearly or periodic re-estimation of the effective life of the mining right. However, a taxpayer can reassess the effective life if the original estimate is no longer accurate.

The amendments apply from 1 July 2001. This is retrospectivity which is required because the 2003 amendments were also retrospective to 1 July 2001. This will ensure that the policy intent is reflected in the law since the introduction of division 4 in the 1997 act. Therefore retrospectivity is appropriate. Labor supports the efforts to clarify the law and provide certainty to taxpayers. However, I note that these clarifications, which cause great uncertainty for taxpayers and business, have come rather late, since the uniform capital allowances were introduced in 2001.

I now turn to schedule 2 of the bill. This proposes to allow deductions for boating expenses to taxpayers who do not use their boat for specific business activities. Current income tax law allows only deductions for expenses incurred from operating a boat where the boat is used for a specific business purpose. The tax law denies deductions for taxpayers who use or hold their boat or boats to earn some passive income. For example, a boat owner who occasionally rents out their boat for income is not entitled to a deduction. These amendments will allow deductions for expenses related to earning income from boats even when they are not carrying out a specified boating business. The proposed changes will allow taxpayers who cannot demonstrate that they were carrying on a business using a boat to deduct expenditure related to their boating activity up to the level of income they generate in that year and allow excess deductions to be carried forward and deducted against future boating income activities. A taxpayer will be able to deduct expenses to: acquire a boat; retain ownership; acquire rights to use a boat; retain rights to use a boat; and use, operate, maintain or repair a boat in relation to any obligation associated with a boat or any obli-
Expenditure in relation to fringe benefit will be exempt from the quarantining rule so that expenditure by an employer in providing a boat as a fringe benefit as part of a salary package is deductible to the employer regardless of the employer’s boating income. This is consistent with the general treatment under income tax law of expenses in providing fringe benefits. The amount to be carried forward to be used against future boating income is modified for some taxpayers who receive a capital gain from their boating activity, have boat business profits, receive exempt income or become bankrupt. Labor supports this measure. The amendment should ensure that where taxpayers generate an income treatment using their boat they are not be treated unfairly compared to other taxpayers.

Schedule 3 of the bill proposes amendments to the tax law relating to research and development tax concessions. The amendments make 10 technical amendments to clarify the law, remove unintended consequences and ensure the law accurately reflects the original policy intent of the R&D provisions. Three main tax concessions that companies that incur expenditure on R&D may claim are: accelerated R&D deduction, 125 per cent rate; premium incremental concession, 175 per cent rate, for companies that increase their level of R&D expenditure over the average R&D expenditure over the preceding three years; and the refundable tax offset for small companies equivalent to the value of the R&D deductions. Labor supports the amendments. However, Labor notes that more than technical amendments are required to boost R&D in this country.

Debate interrupted.

The ACTING DEPUTY PRESIDENT (Senator Marshall)—Order! It being 12.45 pm, we will now move to non-controversial legislation.

SOCIAL SECURITY AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (ONE-OFF PAYMENTS AND OTHER 2007 BUDGET MEASURES) BILL 2007

Second Reading

Debate resumed.

Senator McLUCAS (Queensland) (12.45 pm)—I will not speak at length but I want to make some comments about the Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007. This legislation includes a range of measures that are directed at supporting some of the most disadvantaged people in Australia. In this bill there is an allocation of $500 to seniors who were eligible for the utilities allowance and the senior concession allowance as at budget night. It also includes an allocation of $1,000 as a one-off payment to carer payment recipients, $600 to carer allowance recipients for every eligible care receiver that they provide care for and $1,000 to carer allowance recipients who also receive a wife pension or a DVA partner service pension.

Labor welcome the contribution of funds to these most deserving people. We welcome the one-off payment to seniors in recognition of the financial pressure that age pensioners are under. In the 12 months to March, food costs in Australia have risen 4.6 per cent; in that total, fruit has risen by 15 per cent. Those considerable cost increases impact on the daily lives of older Australians. Petrol, as we all know, has been rising inexorably, it would seem, over the last 12 months. We all know of older people who ration their travel directly because of the cost of fuel. Coming from a rural area of Australia where the cost of fuel is higher and there is a lack of public
transport, I know that older people in those regions are under even more pressure in terms of their costs. We also know that the increasing cost of fuel affects volunteers in our society, particularly older people who volunteer for organisations such as Meals on Wheels and who want to continue visiting other older people who are in more need than they are. So in that respect we are very pleased to be supporting the allocation of $500 to seniors who meet the qualifications the government described.

We also welcome the one-off payments to carers, because they too are under financial stress. We know that people caring for a loved one are, on average, $5,600 a year worse off than people with no caring responsibilities. That is, as I said, an average figure; we know there are many people who are carers, especially those caring for people with disabilities, who have had to leave paid employment in order to fulfil that role. I also hope that the government takes some heed of the budget response from Carers Australia in which they expressed disappointment that the government had not recognised the recommendations they had made in their pre-budget submission.

There are also a range of measures in this legislation to support veterans. There is a compensation payment of $25,000 to former prisoners of war in Europe or their widows. There is an increase in the funeral benefit, from $1,000 to $2,000, and for the veterans disability pension there is an increase of $50 a fortnight in the special rate and $25 a fortnight in the intermediate rate. Again, Labor welcome these changes to the financial arrangements for veterans in Australia. But I have to say that some of those measures are a catch-up event, finally recognising some notions of equity for some of those veterans. Labor have been calling on the government to address the erosion of our most severely disabled war veterans pensions over the last 10 years. Because these pensions are only linked to increases in the cost of living, there has been a drop of over $70 a fortnight in the value of the special rate disability pension. As I am sure we all understand, that is a very substantial amount for people dependent on a pension.

In contrast to the government, a Rudd Labor government would make sure that our most severely disabled war veterans will have their pensions adjusted to take account of not just the cost of living but also the standard of living. A Rudd Labor government will make sure that these veterans will no longer have to depend on the government delivering the sorts of ad hoc catch-up payments that we are talking about today. If Labor are successful at the next election, future increases that account for increases both in the cost of living and in the standard of living will be automatic under our government. Indexation is the only long-term solution to maintain the true value of veterans pensions. With those brief comments, I reinforce that Labor are supporting these measures. We know that they will be very well received by those people who receive them. As I have underlined, these measures support some of the most disadvantaged in our community.

Senator BARTLETT (Queensland) (12.51 pm)—I would like to speak briefly on the Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007 on behalf of the Democrats. It is always appropriate when there are positive measures in a budget to acknowledge those and to note and praise them, lest one be accused of being churlish and always focusing on the negative. There are positive measures in this. Nonetheless, one has to make the point that there are inadequacies, not only because of those who merit help but are not covered in this legislation and the budget more broadly
but also because of the way some of these measures are put forward.

Firstly, I will start by noting some of the measures I think should be acknowledged as clear-cut positives. I want to focus particularly on the veterans affairs aspects of this legislation. The increase in the maximum amount of funeral benefit payable from $1,000 to $2,000 is a welcome and important increase. As always, people can argue that there should be more, and I think that case can continue to be put, but it is a significant rise which has been pushed for for some time. The fact that the government has listened to that concern is, to a fair degree, something that should be acknowledged.

Similarly, increasing the maximum period for the backdating of war widow or widower pension claims to six months from the existing three months is also welcome and important. It is no surprise that, in the event of the death of a partner, it often takes people more than three months to get around to sorting out what their eligibility might be and putting in their claims and those sorts of things, and extending the period of backdating to six months is a welcome measure. Again, it is a measure that is there because of the advocacy of a number of ex-service organisations, in particular the War Widows Association. It is an appropriate opportunity to pay tribute to the work of organisations like that. They do an enormous amount of work in trying to pass on and give voice to the concerns of the people they represent and continually push people in the parliamentary and political process to be aware of and act on those concerns. So it is not just a tick for the government that this measure is here but also a tick in recognition of the work that advocacy organisations do generally—in this case, the War Widows Association and ex-service organisations.

I have made the point repeatedly in this place that it is important that we do as well as we possibly can in looking after the needs of veterans and, I might add, other ex-service personnel. There is an ongoing debate. Indeed, there are more measures in this year’s budget to try to address the recruitment and retention goals of the Australian Defence Force. Most of those I am supportive of. But I think it is an undeniable fact that, unless we can do better in the way we treat people who join the ADF, particularly those people who run into difficulty—the people who suffer injuries, who are wounded in service or who have other harm come to them as a consequence of their service—we will never meet our recruitment and retention targets. All their comrades around them and, even more so, their families see the way they are dealt with and the harm done to them and spread the word that maybe the ADF is not the way to go. In many cases, those who are in there see how one of their comrades is treated, and that gives them a much greater incentive to get out in case the same thing happens to them. It is always crucial that we do better in that regard. It is the easiest thing in the world for politicians to wave the flag and talk up the proud sacrifice of our Defence personnel, because politicians are not the ones making the sacrifice and, in most cases, neither are their children. But it is another thing entirely to ensure that we meet the grade and demonstrate the commitment behind the easy words by following up those who need assistance.

One other area in this budget and in this legislation is an increase in the amount of the intermediate rate disability payment, paid under the Veterans’ Entitlements Act, of $25 a fortnight or $50 a fortnight for the special rate disability pension. This is what is broadly called the TPI rate. That has been a key area of contention in the veterans community for a long time. They have presented a very plausible case that the real value of
this payment has declined over time because it is not indexed. That was partly, but only partly, addressed by the federal government some years back when they indexed just part of this payment. The other part has continued to remain unindexed and its value has continued to decline over time. So this is a catch-up payment. That should be welcomed but it should not be overly praised as something that is particularly noteworthy. To be finally badgered into making a catch-up payment that does not even catch up all the way is, frankly, not really something that deserves heaps of praise; it deserves acknowledgement but not heaps of praise. On top of that, it just maintains the ongoing problem. It is a one-off catch-up payment that catches up part of the way, and that is good, but it is not indexed; the rate will not be maintained at that level. So the problem will return again over time, and the concern will continue. At a time like this, with surpluses of this size, why on earth this less than full catch-up payment could not maintain its value and be indexed is beyond me. It seems to me to unnecessarily continue a concern and needs to be addressed.

It is a part of the problem with a number of the other measures, including some of the broader measures for carers and others. Of course, the extra support for carers is welcome. One-off payments have benefit, but they are one off. They are intermittent and cannot be planned for or relied upon. They are not structurally built into the system, so carers, in particular, and veterans and ex-service personnel will still have structural disadvantage that is built into the system. They will have to rely on hoping that budget largesse will appear again next year or every three years just before an election, and that is not satisfactory.

The Democrats make the same point with regard to the tax cuts that have been given. It is welcome that this year’s tax cuts have been focused mainly on lower income earners, but they are one-off tax cuts which are predominantly returning bracket creep. What we need to see is structural reform that will lock in those gains for low-income earners over time, rather than leaving them hoping that they will be the beneficiaries of budget largesse next time around. It is the easiest thing in the world for governments to hand back money that they have gained basically through the operation of inflation and bracket creep. If we had some vision here, we would be locking in the tax breaks or the tax changes via indexation—even partial indexation if you want to maintain some budgetary flexibility—so that they maintain their value year after year. That is the sort of change the Democrats have been pushing for for a long time and that is what we would like to see.

The same point applies to these payments for veterans. The catch-up payment is welcome, but how about we lock in indexation all the time on the entire payment so that it maintains its value consistently over time? That is what we should do. I think you could make the same claims with some of the other measures that are in here as well—certainly the funeral payment amount. Why can that not be indexed to CPI? Why do we have to lock it in and let it lose its value over time, and then make people put a lot of effort into campaigning to get it to retain or return its value, after which governments expect a shower of confetti and streamers and a ticker-tape parade when they finally give back something that they should have put in place in the first place? That applies in a whole range of areas, not just in the ones in the bill. That is the difference between the one-off, instant, quick fix, big bang budget measures and visionary structural improvements and reforms. We need to see more of the second.

This is a criticism not just of the current government—I am trying to be balanced
once again; it is something that applies pretty much across the board with budgets at all levels and to all parties these days. It seems to be driven and almost reinforced by the way the public engages with budgets and by the way the media reports on budgets. It seems to always be an instant gratification engagement—one of looking for all the lol-lies, the cookies and the sparkly bits. If you lock things in so that they are there in a structural form continually, then there are no sparkly bits for next year. With the attention span of the entire community, I guess, and the way a lot of media reporting goes, memories do not last that long. People are not going to remember and say, ‘Well that was a good thing they did last year and I’m still grateful for it this year.’ Who remembers all the good things from last year’s budget?

Everything is being looked at in isolation, in this election year in particular. No doubt we will see that repeated for whatever is in this budget we are talking about now. It will be completely forgotten. Whatever good is put forward in all the pre-election, post-budget spending measures will again be looked at in isolation and as a self-contained box, ignoring what has already been done, including the good things that have already been done in this budget. We are just doing the same thing over and over again. It is reinforcing what I see as a big problem, which is that not enough of the improvements that do deserve congratulations are put in place in a structural, ongoing sense. They are put in place in a one-off handout sense. That is a real problem and it is something we need to look at more broadly in the way each of us approaches budgets, government expenditure, the tax system, welfare payments and all of those sorts of things.

Returning to the specifics of the bill, I have focused on the veterans area because I think veterans do need to be acknowledged as often as possible. But I would also like to note the payments to carers and older Australians. If there is one group in the community who you could rain down largesse upon in great amounts almost continuously and not get many complaints from me, it would be carers. They have an enormous responsibility and an enormous task that is not, and in some ways can never be, fully recompensed. Any form of extra assistance with money and the costs of their role is always welcome. The bill does not address some of the structural issues and, both with this and with the veterans area, it is of course about more than money. Those other aspects are areas where we still need to monitor the adequacy of service delivery, whether it is for carers or for veterans.

I would note and reinforce the comments made in the other place by the shadow minister for veterans’ affairs, Mr Griffin—I think, earlier today—about the veterans’ affairs area, including the increase in the amount of time it is taking for the Department of Veterans’ Affairs to process claims and the concerns about the decline in overall staffing numbers. Those are the other sorts of things that go beyond payment rates but can often make as big a difference or a bigger difference to people in terms of quality of life and assistance with their needs. Whether it is processing time for the claims, ease of assistance when they need support, being directed to the services that actually meet their needs, or other sorts of support services that are available to carers such as respite services and other sorts of services and assistance, we certainly still have a way to go in those areas. We need to continue to focus on those as well.

One-off payments always help, but they do not deal with some of those wider structural problems—whether it is amounts of money or adequacy of service. It is the Democrats’ role to ensure the Senate can operate in a way that keeps the focus on those
issues. We seek to pull out more of the facts on those issues and we will certainly continue to do all we can to maintain that role.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.05 pm)—I thank Senator McLucas and Senator Bartlett for their contributions and reflections. Through the Social Security and Veterans’ Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007, the government makes a further commitment of support to older Australians, carers and many of our ageing veterans. Each eligible person of age pension age who qualified for utilities allowance or seniors concession allowance on 8 May this year will get a one-off payment of $500, as will recipients at that date of mature age allowance, partner allowance or widow allowance. A one-off payment of $1,000 for carer payment recipients and $600 for carer allowance recipients will also be paid to those who qualified. The measures in the bill aimed at many of our ageing veterans will enhance their quality of life—especially those with a disability, or their war widows or widowers—including doubling the maximum amount of funeral benefit payable from $1,000 to $2,000, increasing the intermediate disability rate paid under the Veterans’ Entitlements Act by $25 per fortnight and increasing the amount of special disability pension by $50 per fortnight. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

SUPERANNUATION LAWS AMENDMENT (2007 BUDGET CO-CONTRIBUTION MEASURE) BILL 2007

Second Reading

Debate resumed.

Senator SHERRY (Tasmania) (1.07 pm)—The legislation before the Senate is seeking approval for a one-off additional government co-contribution into the superannuation accounts of those people who made eligible contributions in the 2005-06 income year. The legislation will effectively double the government co-contribution for those who have already made voluntary contributions in the 2005-06 financial year. It passed the House of Representatives yesterday, where Labor supported it, and we are supporting it here today.

The cost is estimated at $1.1 billion, with most payments being made in this financial year at a cost of $990 million and a further estimated cost of $80 million in the 2007-08 financial year. This, along with a number of other measures, characterises a very clever and cunning strategy by the government to disburse lump sums in significant ways in the lead-up to the election. Right on the lead-up to the election, six months out, we see these dollops of lump sums being distributed throughout the community.

In retirement incomes policy there are two approaches to increasing the level of retirement savings in a community. One is what is commonly known as compulsion. You compel people to save for retirement; that is done in a number of ways, such as compulsory superannuation. A government age pension is a form of compulsion. The other, which is usually a part of a retirement income system mix, is the incentive approach, where you reward people for future saving—with the emphasis on ‘future’.
A combination of measures has been adopted in Australia: tax concessionality and the co-contribution itself for future saving. I must say I cannot recall an example in any other country where they are significantly rewarding people for past saving, not future saving. It is a unique approach and probably a world first. Nevertheless, that in itself is not a reason for opposing the payments. Labor supports the payments because the payments will result in a one-off addition of just over $1 billion flowing into the superannuation savings accounts of about a million people. It is up to $1,500; not everyone gets $1,500. To that extent there is an improvement of about a billion dollars on the already $1 trillion of saving in the country.

I will describe briefly the operation of the co-contribution scheme. It grants up to $1.50 of government contribution for $1 of employee voluntary contribution, capped at a maximum government payment of $1,500. The current scheme allows the maximum government co-contribution of $1,500 to be paid up to the income threshold of $28,000 and then it phases down at the rate of 5c for every dollar of income above the threshold, completely phasing out at $58,000.

Co-contribution policies have a somewhat chequered history. The original policy of a co-contribution was announced by the Keating Labor government in 1995. This was to be a compulsory co-contribution—three per cent employee and three per cent government—to be phased in between 1996 and 2002. It would have delivered an extra $4.6 billion per year in 1996 dollar values when fully implemented. It was to build on Labor’s compulsory nine per cent superannuation guarantee, initially introduced at three per cent in 1987 and phased up to nine per cent by 1 July 2002.

Senator Murray—And supported by the Democrats.

Senator SHERRY—I take the interjection; it was supported by the Democrats. I was just about to remind the Senate: it was vociferously opposed tooth and nail, month after month, by the present government. I can recall some of the comments at the time by Mr Costello, Mr Howard and Mr Downer. The current foreign minister claimed that it was going to be socialism of the economy if you introduced compulsory superannuation: ‘You’re going to wreck small business, wreck employment.’ Now, the way they talk and the way the Treasurer boasts about his credentials on superannuation, you would think they had actually introduced it. My, how times change!

Senator Mason—I thought we had.

Senator SHERRY—You thought you had! Well, just to remind you: you were not here. I remember the months and months of debate. I do not think Senator Murray was here, but I remember the months and months of trenchant opposition to compulsory superannuation.

Senator Murray—I am a student of these things.

Senator SHERRY—I know you are, and a well-versed and well-read student, Senator Murray. Labor is unapologetic about a combination of compulsion and a voluntary incentive approach. In fact, Labor is proud of compulsory superannuation.

Up until 1987 the benefits of superannuation generally flowed to about 40 per cent of the workforce, in the main middle- and high-income earners in occupations such as management and the public sector. The majority of low- to middle-income earners, often casual and part time in occupations such as retail, hospitality and transport, of which over 60 per cent were women, did not receive superannuation payments. As I have said earlier, Labor introduced compulsory superannuation. It was a matter of fundamental
fairness. We are proud of that, and we stand by it.

Of course it represents not just critical social policy but also major economic policy. It adds to savings, helps investment and strengthens the Australian economy. I cannot think of a single measure in the Hawke-Keating period, the 13 years of Labor government, that was any better in terms of fundamental social and economic policy than compulsory superannuation. As I have said, it was trenchantly opposed by the current government.

Today there is in excess of $1 trillion in superannuation savings, and it is overwhelmingly driven by compulsion: the superannuation guarantee. As important as the co-contribution is and as important as voluntary top-up contributions are, with incentives in the system, I think over $60 billion a year—the considerable majority of superannuation flows—is a consequence of compulsion: the superannuation guarantee.

As I have said, in 1995 former Prime Minister Keating wanted to add to it with a co-contribution of three per cent from the government for three per cent from the employee. I was very pleased, actually, by an election promise made by the coalition in 1995. They promised to retain Labor’s commitment on the three per cent and three per cent co-contribution, albeit that they said they might deliver it in a different form. But what happened? In 1997, not in 1996, the current Treasurer, Mr Costello, abandoned the co-contribution—it must have been one of those non-core promises—and therefore abandoned the additional $4.5 billion that would have resulted from the compulsory co-contribution. He did replace it partly with what was called a ‘savings rebate’. The Parliamentary Secretary to the Minister for Health and Ageing is looking a bit puzzled, and I am not surprised, because this savings rebate introduced in lieu of the compulsory co-contribution only lasted six months. So it is no wonder that the parliamentary secretary is looking a bit puzzled; very few people can remember what happened to that savings rebate which was intended to replace the co-contribution.

However, things did get better in the saga of the co-contribution. We acknowledge that the government introduced a voluntary co-contribution in 2002. Of course, it is voluntary, so it costs a lot less, but let us put that issue aside. We took a $4.5 billion step back and then we took a $1 billion step forward, so some progress has been made. The initial co-contribution was dollar for dollar, within the parameters I have mentioned. Interestingly and, I think, usefully—and I give credit to the government—in last year’s budget the co-contribution was extended to the self-employed. I give credit to the government for expanding it further. That will probably bring the cost of the co-contribution to about $1.3 billion going forward. This gives vital assistance and encouragement to low- and middle-income earners. It is welcomed by Labor and, if Labor is elected to government, it will be retained.

As I mentioned, we have seen a one-off increase retrospectively in the co-contribution. I have to say again for the public record that it does represent somewhat of a rebuff to the current Assistant Treasurer, Mr Dutton. I was pleased to see him—and again, as a Labor member, in a bipartisan, positive way, I pay tribute to the Assistant Treasurer, Mr Dutton—publicly arguing this year for an expansion in the parameters of the co-contribution, specifically targeting people under 45 years of age, and not for a one-off retrospective payment. I think that was a legitimate, positive policy parameter change that the current Assistant Treasurer, Mr Dutton, was pursuing. But unfortunately Mr Howard, being the fairly cynical, clever
politician that he is, obviously overruled Mr Dutton and said: ‘Look, there is an election coming up. Let’s be clever and cunning. Let’s drop a billion dollars and reward past saving one-off, because we do not want to increase the cost of this scheme in the years going forward.’ So, regrettably, the Assistant Treasurer, Mr Dutton, was overruled by the Prime Minister and the Treasurer.

As I have said, Labor supports the measure of an extra billion dollars to increase superannuation savings. But it does highlight the government’s lack of vision in what should have been a tackling of some fundamental design issues of the co-contribution. Mr Dutton’s positive suggestion was one that was made. I know the Association of Superannuation Funds and a number of others made positive suggestions around adding to the incentive for additional middle-income earners to contribute through the co-contribution. But we have had a short-term, cunning and clever political lump sum dropped in for one year instead. There is another design issue—and I know that ASFA looked at it—in that the cut-off point for middle-income earners is $58,000. ASFA are arguing for an extension of the cut-off point to higher up the income scale. I say on behalf of Labor that this is an important issue. If you look at when the scheme was introduced, you see that the 30c marginal income tax rate cut off at about $58,000. It has now been significantly increased, and therefore there does need to be a reconsideration of the design of that cut-off threshold.

I want to touch on a critique, and it is not my critique alone. There is concern about having a lump sum retrospective saving rather than trying to redesign the system to encourage future saving. It is a critique that has been made by some others. I have mentioned ASFA. Ms Smith, the CEO of ASFA, stated:

... there is disappointment because it is only a one-off for past contributors, so—
the budget—
missed an opportunity to change savings behaviour ...

She went on to state:

This initiative rewards individuals who accessed the co-contribution a year ago, but it is difficult to see how it will encourage younger people to invest in their retirement future.

As I have said, I think that is a legitimate concern. There was another critique from a Mr David Knox. He is not from the Labor side of politics; he is generally a supporter of the government. I think he was involved in the infamous Fightback design. He is an actuary of some renown and I have considerable respect for him. He is quoted as saying:

“I think the co-contributions payment is timed to be an attractive benefit in the lead up to the election,” Mercer principal of retirement David Knox said.

“We endorse any further support for savings, however, our disappointment is that this one measure won’t change future behaviour because it’s based on decisions people have already made.”

There are a number of other people who have pointed out a similar flawed approach, lacking in imagination, to examining the fundamental redesign of the system.

As I have said, Labor is supporting the Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007. There is an extra $1 billion going into the superannuation accounts for 2005-06 of low-and middle-income earners who qualify. There is one other group which, importantly, has missed out and which I did refer to earlier. The co-contribution scheme is to be extended to the self-employed. Frankly, I am somewhat surprised that the government did not pick this up: the co-contribution scheme is being extended to the self-employed, but it
did not apply to them in the 2005-06 year. Therefore, the low- to middle-income self-employed people have missed out. I was taken aback by the fact that the government has totally ignored, with its retrospective one-off application, the needs of the self-employed in this area. That is an issue that I do not think anyone has pointed out so far in the public debate. Nevertheless, $1 billion is going into superannuation for low- and middle-income earners. It is a cunning and clever political ploy and we admire the cunning and cleverness of the Treasurer and the dash for lump sum cash in the run-up to the election—surprise, surprise, six months out from the election. That cunning and cleverness is all timed for the election. That is all part of politics, but the bottom line is that there is a billion dollars going into super. That will compound over time for those people. It will improve the retirement circumstances of those individuals and it should be supported.

Senator MURRAY (Western Australia) (1.22 pm)—With respect to the Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007, the co-contribution scheme is designed to boost the superannuation of low- and middle-income Australians. The scheme works by matching a qualifying employee’s eligible personal superannuation contributions with a government contribution at $1.50 for each dollar contributed by the employee, up to a maximum government contribution of $1,500. The maximum government contribution of $1,500 is available for qualifying employees on incomes up to $28,000 for co-contribution purposes and who voluntarily—if they can—save up to $1,000 annually. It then phases out at the rate of 5c for every dollar of income above $28,000 and phases out completely at $58,000. I was reminded by the shadow minister earlier that it was the Democrats who, with the Labor Party, ensured that the compulsory superannuation guarantee scheme was introduced to this country, against trenchant coalition opposition. The foresight of the Labor government at the time and of the Democrats deserves to be applauded over the decades to come, because no single measure has done more for Australians than that one.

I then thought about the co-contribution scheme. I had a look back at former Senator Cherry’s remarks—Senator Cherry was a senator from Queensland whom I sorely miss—with respect to the Superannuation Laws Amendment (2004 Measures No. 1) Bill 2004. At that time he was talking about the fact that the co-contribution scheme happened because of the Democrats combining, in this case, with the government. It was the Democrats’ agreement with the government that permitted this measure to go through. In his remarks on the bill I just mentioned, Senator Cherry said the following:

The Senate would be aware that this particular measure passed through the Senate last year after negotiations between the government and the Democrats which established a doubling of the initial funding for the government co-contribution for low-income earners. As a result of those discussions—and I should acknowledge the very positive role that Senator Coonan played in that discussion—the funding for the low-income earners co-contribution for the next four years was increased from $460-odd million to $920-odd million.

So we not only helped to pass the measure; we also helped make it the size and strength that it is today.

This bill provides for an additional one-off government superannuation co-contribution to eligible persons in the 2005-06 income year only—which will double the amount already received. For instance, a person eligible for a co-contribution of $1,500 in the 2005-06 income year will receive an extra $1,500, making a total of $3,000. If the eli-
gible co-contribution amount is $500, then they will receive a total of $1,000 all up. Interest will not be payable on amounts that arise solely from this one-off payment—which is an important consideration. The cost of it is high, but of course it is a payment towards the future of the Australians who receive these benefits. But I found it quite odd that this bill was introduced two days after the budget. The budget papers and the bill were obviously designed at the same time. Budget Paper No. 1, item 1-16 states:

This will improve superannuation savings for low income earners at a cost to the Budget of approximately $1.1 billion in 2006-07.

But the explanatory memorandum for the bill says:

This measure is expected to result in a cost of $990 million in 2006-07 and $80 million in 2007-08.

For those who can do their maths, there is a cool $30 million difference, in two days, between those two figures. That is pretty sloppy. Budget papers do not round up to the nearest billion or hundred million; they round up to the nearest million. Suddenly there is $30 million more that the government has put into its budget papers, available for it to do other things with, when the EM is much more specific and indicates it will be $1.07 billion. So we have a cool $30 million difference in two days. I would be grateful if the Parliamentary Secretary to the Minister for Health and Ageing could perhaps indicate just why that has happened.

The other thing we should recognise is that undoubtedly this measure only affects a select group of Australians—a lucky number—and the problem for us is that neither the budget papers nor the explanatory memorandum indicates the number of Australians who will be affected by this measure. Once again—through you, Mr Acting Deputy President—I would ask the parliamentary secretary to indicate to us in his closing remarks how many Australians he thinks will benefit from this. Although this one-off payment increases superannuation balances for those who are eligible, by a set amount which then compounds over the life of the balance—making it a very attractive gift that grows over time—one cannot help but suspect that its main motivation is as an election sweetener. As soon as you see a one-off gift at this time in the electoral cycle, it does, unfortunately, provoke such impure thoughts.

Among other measures, the Democrats support superannuation savings being encouraged through government co-contributions targeted at low- to middle-income earners. So we support this bill, and we support it without amendment. We have not quite understood why it is non-contrary in this session and why it could not have waited until June. There is no real need for urgency that I can see, except for the government’s desire to get an immediate feel-good response for the coalition when those eligible are advised of their nice gift from kind John and helpful Peter. However, it does not really matter, because we would pass it today and support it today and we would pass it and support it in June. You are entitled to get your government bills on the Notice Paper as you see fit. As you noticed, we did not oppose the cut-off being exempted in this matter.

In closing: I suspect your motive, but anything which improves the superannuation savings available to Australians and therefore prevents later government payments at a far higher rate occurring—because this is an early payment and compounds over time it saves the government money later, strangely enough—is a good idea and is supported by us.
Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.31 pm)—I thank Senator Sherry and Senator Murray for their considered remarks. Sadly, I cannot help the honourable Senator Murray in relation to his questions to me, except to say that, importantly, this measure will affect roughly two million Australians. The Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007 will boost the superannuation savings of low- and middle-income Australians by doubling the government’s superannuation co-contribution payable in respect of eligible contributions made in the 2005-06 year. For example, if a person was otherwise eligible for a co-contribution of $1,500 made in the 2005-06 year, they will now receive an extra co-contribution of $1,500, bringing the total co-contribution for that year to $3,000. This provides a substantial reward to eligible low- to middle-income Australians who have saved for their retirement and builds on the already successful government co-contribution. These changes also build on the substantial improvements to superannuation made by the government through the recent Simplified Superannuation reforms.

This government first introduced the co-contribution scheme in 2003-04. It then increased the co-contribution from $1 to $1.50 in the 2004-05 year and raised the upper income threshold from $40,000 to $58,000. From 1 July 2007 eligibility for the co-contribution scheme will be extended to the self-employed, and the income thresholds will be indexed each year in line with the growth in wages. Over 2.7 million co-contribution payments, worth approximately $2 billion, have already been paid under the scheme. This measure will increase payments under the scheme to $3.1 billion.

This is an important budget measure. It has been made possible only because of this government’s very strong economic management. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

EDUCATION SERVICES FOR OVERSEAS STUDENTS LEGISLATION AMENDMENT BILL 2007

Second Reading

Debate resumed from 9 May, on motion by Senator Johnston:

That this bill be now read a second time.

Senator CARR (Victoria) (1.33 pm)—In speaking to the second reading of the Education Services for Overseas Students Legislation Amendment Bill 2007, I make the point that this bill makes a number of changes to the ESOS regime and amends positions that were taken through this parliament in 2000. These changes have been characterised by the government as ‘technical’ or ‘minor’. In fact, at least one of them is a major and significant change which I will address in my remarks here today.

The bill follows a series of more substantial amendments to the regulatory framework, changes that were introduced after a major review of the ESOS regime that reported in 2005. That review recommended some 41 changes to the act, not all of which were actually adopted by the government. These amendments, finally passed through the parliament in December 2006, followed other changes to the act in 2002 and 2005. It is quite clear that this is an area of regulation that requires constant updating. It is gratifying to see that the government has at least acknowledged the importance of that principle and is continuing to monitor the effectiveness of its legislative framework in this area.
However, the fact is that this government has yet to get things right when it comes to regulating the international education industry in this country. International education is an extremely lucrative service export for Australia. Its net impact on the economy is said to be around $7 billion per annum. For that reason alone, this country simply cannot afford to get it wrong. It is an industry that depends vitally on our international reputation and on the quality and reliability of what might be in economic terms described as the product that we offer. In this case, it is the education and training that is provided. We cannot treat our international students lightly or negligently, whether they come to this country to undertake their studies or whether they study in Australian institutions operating offshore.

While Labor is supporting this bill, there is an opportunity here to draw attention yet again to the poor management of the international education industry in this country. Despite all the tinkering that has gone on with the regulatory regime throughout recent years, it is my contention that there remain considerable problems yet to be addressed. There are recent examples of highly questionable activity which in themselves constitute a threat to the quality and the international reputation of Australia’s higher education sector. Serious issues surrounding the quality of education and the treatment of international students at several of our international education and training institutions across the country have been exposed in recent times.

At the centre of those reports, I might remind the Senate, has been Central Queensland University’s Melbourne shopfront campus. There was a situation which was given some attention in the Melbourne Age where there was a hunger strike by some 60 international students at Central Queensland University’s Melbourne campus. The Minister for Education, Science and Training told the Age newspaper on 15 March 2007:...

... the Government had imposed a rigorous framework to protect the rights of overseas students.

The truth is that there is no evidence that the government has actually taken any action in these matters. The students claimed that they had been tested on subject matter that was not included in their coursework and that 300 did not pass the final exam for a master’s degree. Since the Howard government has been in control of higher education, there has been an increase in Central Queensland University’s reliance on international student fees from some 10.7 per cent of their total income in 1997 to 45.7 per cent in 2005. Central Queensland University receives $132 million each year from international students. However, it would seem that the regulation of this industry has not kept pace with what has been going on in Central Queensland University’s international education programs.

The minister and the department have failed to act on reports of the substandard training by private providers. In Melbourne, there was the International Business and Hospitality Institute. The government failed to quickly respond to claims that up to 30 Chinese students at the International Business and Hospitality Institute were given substandard training. When the college suffered a cash flow crisis, it simply stopped teaching the students and told them to ‘take a holiday’. This is despite the fact that the students had paid their fees in advance. According to the Age of 22 March 2007, several former teachers went to the Australian Crime Commission over this matter, so dissatisfied were they that the problems had not been satisfactorily addressed by the government. Following the revelations of this particular case and another one in Victoria, the CEO of the relevant office in the state education min-
Chamber

The umbrella organisation for private training and education providers, ACPET, has complained over and over again to this minister, Minister Bishop, about the activities of problematic private providers, but she has consistently failed to respond to those complaints. This is despite a whole raft of powers available to her under Commonwealth legislation—set out in the ESOS Act—to draw attention to errant providers. While it is true that state governments do have a role in monitoring the performance of international education providers, it is quite clearly the case that the primary responsibility rests with the Commonwealth of Australia. The responsibility may well be shared, but the lead responsibility is with Canberra.

Over the years Labor in the Senate have drawn attention to the government’s failure to deal with these issues—to deal with the rorts and the abuses by the unscrupulous providers that have been able to bring the whole industry into disrepute. We have argued that, if you do not deal with the rotten apples in the barrel, the whole barrel will ultimately be ruined. However, it is not just a case of the damage done to other providers; it is a case of the Australian government having the responsibility to protect the rights of students who come to this country and expect—and have a right to expect—the highest of standards.

I argue that, as with tax avoidance, the government must exercise constant vigilance in this area to safeguard the reputation of this vital industry. If it does not, our international reputation will be seriously affected. This not only will have profound consequences in terms of our capacity to attract students and to earn income from this industry but also may well have serious consequences for our diplomatic relations. This is not just a question of economic relations; it is a question of social and personal relations. Ultimately, over time, it can have an enormous impact in terms of our standing within the region. As I say, it only takes a few rotten apples to poison the whole barrel.

The other significant amendments that are being proposed by this legislation are the insertions of the objects into the act. Such an addition to the act was recommended by the 2004-05 review, but the government have only now sought to move in this area. The objects have been inserted to adopt a general way of wording as recommended, and they include, among other things, ‘To protect and enhance Australia’s reputation for quality education and training services’ and ‘To complement Australia’s migration laws by ensuring providers collect and report information relevant to the administration of the law relating to student visas’.

Why the government have taken so long to act on this is a matter of some curiosity to me. It strikes me that it is difficult for the government to acknowledge that they have got it wrong. It is better that they do so now than not do so. The Labor Party has been arguing for some time that the substantive rorts in the international educational regime, the immigration rorts and the rorts that have seen students sold short in terms of the quality of the education and training provided to them, needed to be addressed. The Commonwealth has to face up to its responsibilities in this way.

I know I have been arguing this case for the better part of 10 years. I will continue to argue it. It is better late than never that the government have started to move in this direction. It was certainly the position that I
argued in 2000, it was the position that we argued last year and it is the position that we have continued because the rorts have continued. We finally see in 2007 the government come clean about why there is a necessity to acknowledge the Commonwealth responsibilities with regard to the ESOS legislation.

I acknowledge that the amendments inserting the objects into the act in no way affect the operation of the act, but it is a significant reminder to those within the Public Service of their obligations and to ensure that the ESOS regime is aimed at producing that outcome. Every provider and government authority that reads this legislation should understand it and should be able to appreciate their obligations to the sector as a whole, to maintain and enforce the highest of standards of both education provision and compliance with Australia’s migration laws. The failure of both providers and government departments to fulfil their obligations under the ESOS regime puts at risk not just the viability of that individual college or institution but also the viability of other providers and the ultimate success of the industry as a whole.

The other thing that really disturbs me about these matters is the way in which international education is being used by this government, particularly through our public university system, to provide an inordinate reliance on overseas students as a way of making up the shortfalls in government revenue. Over the last decade we have seen a determined and persistent underinvestment in higher education by this government which has seen Australia’s universities become more and more reliant on international students as an alternative source of funding. So there has been a massive shift in the level of university funding from public to private sources. In 1996, of the full amount of money that was available for universities, some 60 per cent of revenues came from the Commonwealth. It is now down to 40 per cent. In 1997 income from overseas students made up 7.8 per cent of the total revenue for all universities. That proportion had almost doubled by 2005 to 15.1 per cent. As I understand it, it is well over $2 billion in terms of income derived from this source. Claims have been made from time to time about international students who have been put into the system graduating in such numbers, with serious impacts on the quality of provision by some universities. It has been argued that all too often international students with a poor grasp of English are graduating and getting permanent residency visas. Their English is so poor that they never should have been accepted for study in the institutions to begin with, let alone allowed to graduate.

Prominent Monash academic Professor Bob Birrell’s findings on the English language abilities of international students have been rejected by the minister for education, who was quoted in the *Age* on 17 March 2007 as saying that she had seen no evidence that substandard students were graduating from Australian institutions. The minister herself argued that the industry had brought $10 billion to the Australian economy over the financial year. Yet she is not prepared to deal with these questions up-front and to ensure that the quality arrangements in our universities are such that a charge such as that made by Professor Birrell could not be made.

In recent times we have seen discussion by this government about their changes to education and they have argued that they are now providing additional support for funding of universities, particularly through capital. The Australian National University, for instance, is worth about $1.5 billion in terms of its plant; the backlog, in terms of its capital requirements, is probably $500 million. I see
in the paper today that other universities are arguing that they have funding backlogs of some $200 million and above.

In the case of the Australian National University, they have a capital roll-in of $12 million per annum. While I do not in any way associate the Australian National University with any misuse of international programs, it highlights a question about what is happening to the finances of our university system. It is the same with the University of Sydney and other Group of Eight universities. The capital requirements of these universities are such now that there is a massive backlog as a result of the failure of this government to invest over 10 years. In some of our other universities that do not have the level of resourcing that a Group of Eight university has, there has been an undue reliance on international students to try and fill the gap. The capital programs are the area in which this enormous deficit is becoming most pronounced, because there has been this presumption for 10 years that you can put off fixing the buildings, you can put off fixing the drains, you can put off building necessary accommodation and you can put off buying equipment for the necessary research programs. The end result has been an undue reliance on international students—to the point where some of these institutions have been forced to take steps that I am sure that they would have preferred not to take. They have exposed themselves to an undue reliance on that source of income, which makes them very vulnerable in terms of their overall finances.

This is a bill that is long overdue. I am sure that it will not be the last in this area. It highlights the need for the government to be much more conscious of and diligent in its responsibilities in regulating international education. I move:

At the end of the motion, add:

but the Senate notes that while there is a need to update the requirements for the provision of education to overseas students, it condemns the Government for poor management of Australia’s international education industry, including:

(a) the threat to quality in Australia’s higher education sector as a result of the Government’s cuts to, and lack of investment in, universities, leading to undue reliance by the higher education sector on revenue from international student fees; and

(b) a lack of action taken in response to recent examples of questionable activity in the overseas student area in both the university and vocational education and training sectors”.

Senator CROSSIN (Northern Territory)

(1.54 pm)—I understand and appreciate that we are short of time today and that there are still a couple of bills to get through before we start question time at two o’clock, so I seek leave to incorporate my speech. I just want to say, in doing that, that the essence of my speech goes to Christmas Island and Cocos (Keeling) Islands getting the ability to be registered as CRICOS providers under the ESOS Act. Finally, we welcome this acknowledgment by the government. I am sure that people on Christmas Island will acknowledge and welcome this announcement as well.

Leave granted.

The speech read as follows—

• ESOS Act 2000 regulates provision of education for overseas students in Australia.

• Protects our reputation and the integrity of our education “export” industry by ensuring overseas students receive a quality education for which they paid. At the same time ensures students comply with their visa conditions.

• This Bill represents the third group of amendments to the Act in order to implement recommendations made under the evaluation of the ESOS Act, carried in 2004.

• Our education “export” industry is now our 4th most valuable, behind iron ore, coal and
tourism, contributing around $10 billion annually. So certainly worthy of protection.

- We have supported our international education sector since the 1980’s when the Hawke Government first opened our universities to overseas students.

- We do still seem to have a good reputation, despite this governments under funding our public education sector, especially in universities, for a decade now.

- Public schools have been squeezed for funds.

- We have seen in particular our universities and VET sectors seriously squeezed for funds and forced into charging higher fees, opening the gate to full fee paying students and balancing the change in funding mix under this government.

- Indeed one might say the drive for overseas students has been forced on our higher education sector as one way of regaining revenue cut by this government.

- We have also recently seen examples of poor monitoring of some, a minority, of the education providers, where overseas students have had very poor teaching or tuition and certainly not received anything like value for the money they have paid.

- In several documented instances, for example in provision of business or hospitality courses, although the Australian Council for Private Education and Training (ACPET) has raised the issues with the department, their responses have been rather less than overwhelmingly keen to act on the complaints.

- That we still have a good reputation is due to the efforts of those involved in provision of education to overseas students more than the Howard Government.

- In particular though I am now most happy to see sections of this bill now supporting the inclusion of the Indian Ocean Territories within the Act. This amendment is in response to a recommendation of the ESOS Evaluation to include the IOT, and to provide in particular Christmas Island District High School with the opportunity to apply for registration on the Commonwealth register of Institutions and Courses for Overseas Students (CRICOS)

- Under this amendment a new section 4B will allow an education provider on Christmas island or Cocos (Keeling) Island to apply for this registration

- While I realise that this does not yet mean Christmas Island District High School WILL get a CRICOS number, it at last has the opportunity to apply for registration, and if successful will be enabled to bring in students from south east asia.

- These will be older, senior students from families back in SE Asia since many of the population there have strong links back into Malaysia for example.

- This High School has long wanted to be given this opportunity.

- They can now apply for CRICOS registration for the provision of courses to overseas students, subject then to the West Australian Government committing to guaranteeing the placement of these students in appropriate tuition in years 11 and 12 should the high school be unable to continue these classes.

- I believe the WA Department of Education has in fact already visited the island. But it would seem highly unlikely that the Christmas Island District High School would fail to continue the provision of these education services.

- This will mean that more students will attend the high school, increasing the numbers in year 11 and 12 and thereby making these courses even more viable and sustainable.

- I have known CI for some years and been fortunate to make several visits to what is a special place.

- It is very isolated, most of the population are of Malay or Singaporean background but the overall population is a good mix of cultures who get on wonderfully well.

- The discussion about including IOT within the ESOS Act has been long ongoing. In this time the school and community have discussed the matter in depth, so they are very much ready for this welcome change.
community are totally supportive of the school taking in international students.

- Year 11 and 12 classes have only been available for the past 3 years at CIDHS, but they have been highly successful and have enabled many students to stay home and complete their school studies instead of going away to Perth or elsewhere on the mainland.

- Some still choose to go away, but now there is that real choice.

- Like my colleague in the other place Mr Snowdon, I too congratulate all those concerned in getting year 11 and 12 up and running so successfully in such an isolated outpost.

- I am sure that the CI community and school have a very firm commitment to maintain and indeed improve the education services available on island, and this bill is therefore most welcome as the final step in enabling this community to have the chance of applying to provide for international students.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.54 pm)—I thank Senator Carr and Senator Crossin for their contributions. To expedite matters, I commend the bill to the Senate.

Question negatived.

Original question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

GOVERNANCE REVIEW IMPLEMENTATION (TREASURY PORTFOLIO AGENCIES) BILL 2007

Second Reading

Debate resumed from 29 March, on motion by Senator Coonan:

That this bill be now read a second time.

Senator MURRAY (Western Australia) (1.56 pm)—I seek leave to incorporate my remarks.

Leave granted.

The speech read as follows—

The aim of this Bill is to improve the corporate governance of three statutory authorities in the Treasury portfolio—ASIC, the Corporations and Markets Advisory Committee (CAMAC) and APRA. The Bill is part of a broader suite of Bills which the Coalition Government has introduced since the Uhrig Report in 2004 to improve the transparency and consistency of governance arrangements for statutory authorities and office holders.

In response to the Uhrig report the Government agreed that the Financial Management and Accountability Act 1997 (the FMA Act), should be applied to statutory authorities which did not need to own assets and where it was appropriate they be legally and financially part of the Commonwealth. This Bill transfers ASIC, CAMAC and APRA from the Commonwealth Authorities and Companies Act 1997 (the CAC Act) to the FMA Act.

Under the new regime, the three agencies will hold money and property on behalf of the Commonwealth, rather than in their own right. This reflects their status as agencies that are largely budget-funded, in contrast to agencies that raise funds from commercial activities.

The agencies will have the power to enter into contracts on behalf of the Commonwealth. ASIC and APRA will retain the power to enter into contracts on their own behalf, however the intention
is that this power will only be used for regulatory purposes (for example, regulatory agreements).

A number of provisions in the Corporations Act 2001 (Corporations Act) and the Australian Securities and Investments Commission Act 2001 (ASIC Act) will be amended to reflect that ASIC will now be acting as a trustee on behalf of the Commonwealth in relation to moneys and properties held on trust.

The Bill also defines the reporting requirements of ASIC, CAMAC and APRA under the FMA Act and the responsibilities of the Chief Executives of the agencies. The changes to the governance structures of these agencies do not impact adversely on the operational capabilities or the independence of the statutory bodies.

The Uhrig Review was established to identify issues concerning governance arrangements in relation to statutory bodies which impacted on the business community and to provide policy options for the Government to obtain the best from statutory authorities and office holders through the accountability framework.

I have spoken several times on the Uhrig Review, and have said I do not support its approach in all circumstances. Increased centralised ministerial or chief executive power and discretion, and decreased independent oversight and advice might inappropriately result in some situations.

However in relation to these bodies, ASIC, APRA and CAMAC, these amendments will increase the transparency in the way these entities deal with public monies and improve the consistency in their governance arrangements.

The focus of this Bill on how officials handle public money, public property and other resources of the Commonwealth, as well as the obligations and responsibilities of the CEO are all matters which the Australian Democrats support.

In passing I would like to point out that the handling of public money was an area which the Australian National Audit Office had concerns in its 2005 Report. As it pointed out, at June 2004 investments held by Commonwealth entities were $20,208 billion.

In its report, the ANAO found that there were several entities which held investments which were not authorised by the relevant legislation. It was conceded that although they were non-compliant with the relevant legislation, many of the investments were considered of low risk.

However, it must be of concern that even though there were legislated provisions as to how public money could be invested, departments and statutory authorities did not always comply with those provisions. It is hoped that since the ANAO’s report, statutory entities are aware that legislative provisions setting out how and where public money can be invested, are not merely ‘suggestive’, they are obligatory.

It is hoped with this change in legislation, bringing more entities—especially those reporting to Treasury – within the purview of the FMA Act that there will be less non-compliance with the legislation. Given that the money will now revert to the Consolidated Revenue Fund, (CRF) rather than be held or invested by the statutory authorities themselves, the Bill does appear to ensure that public monies are treated the same, regardless of the entity which receives it. That is as it should be.

Statutory authorities are still responsible to the Australian people and the Australian parliament. If they receive taxpayer’s money then it should be used in compliance with its governing legislation and not at the whim of the CEO, the Minister or the Board. It should not be put into investments which do not fully comply with the terms set out in the governing legislation.

I realise that changing these entities from being governed by the CAC Act, is helpful. However, I do note that the ANAO looked at entities which were regulated by both the CAC Act and the FMA Act and it found ‘that, for a number of entities, there had been shortcomings in the management of the investment of public funds.’

Simply changing the Act under which the entities deal with funds is not sufficient. As the ANAO pointed out:

“Entities require strategies and procedures that both comply with the investment parameters provided by the Parliament and optimise risk-adjusted returns.”

It is hoped that in the intervening years since the ANAO Report, that such procedures and strate-
gies have been put in place in all the statutory authorities.
The JCPAA has reviewed a number of ANAO reports regarding financial management and reporting in government agencies and has noted a general decline in standards.

In light of that general decline, I would like to refer to the March 2007 report of the Senate Finance and Public Administration Committee on Transparency and Accountability of Commonwealth Public Funding and Expenditure.

The Committee made 19 Recommendations regarding appropriations and expenditure, all of which would help statutory authorities as well as government departments in providing information to the Parliament regarding appropriations and the use of public moneys.

I think that, although ALL the recommendations are relevant to the discussion here today, Recommendation 2 is particularly apt.

Recommendation 2

The Committee recommends that the Government implement a system of review for standing appropriations to ensure that access to the CRF is withdrawn when no longer required and to ensure that standing appropriations are subject to periodic government and parliamentary review.

With regard to standing appropriations in this bill, on an initial examination, the Special Accounts for ASIC (Schedule 1, Items 12) and APRA (Schedule 1, Items 63) do not appear to raise particular concerns. Without seeing them in operation it is difficult to determine whether they would raise the same concerns identified in the committee’s Transparency and Accountability report regarding the transparency of intra-departmental transfers.

In conclusion, Parliamentary oversight is essential in relation to the use of public moneys by any department or statutory entity.

This Bill is a step in the right direction, but it is essential that the Government respond positively to the unanimous recommendations of the Finance and Public Administration Committee on transparency and accountability as soon as possible.

Senator WEBBER (Western Australia) (1.56 pm)—I seek to leave to incorporate Senator Bishop’s speech.

Leave granted.

Senator MARK BISHOP (Western Australia) (1.56 pm)—The incorporated speech read as follows—

This Bill sets up a new policy on the governance of government agencies. That’s recommended in the 2003 Uhrig Report.

It’s not controversial and the Labor Party supports it in principle. But there’s a contradiction in the introduction of this legislation. This legislation tries to tighten-up accountability of government agencies. That’s fine – but the bill’s drafted by a Government that refuses to account for anything. In other words, do as we say, not as we do. I’ll return to that theme shortly. There’s currently a plethora of agencies. In fact, it’s not clear how many there actually are. In 2003, for example, the Finance Department recorded 955 agencies. Just a year later that number had grown to 1153. I suppose the difference is explained by the fact the Department kept finding more! Which shows how poorly understood is the extent of this Government’s bureaucracy. And so the poor state of accountability. Whatever the number, it’s an enormous bureaucracy, with an enormous array of governance arrangements.

Such an array begs several questions. What do they all do and are they all relevant? More important, how are they accountable to the government and taxpayers? So the review undertaken by Uhrig is vital. In adopting the Uhrig recommendations, the Government’s imposed a new template. In this, all agencies should fit with respect to their legal status and accountability. The basic principle is, any agency dependent on the Budget should be accountable for its funds under the Financial Management and Accountability Act (FMA Act). Such agencies must employ staff under the Public Service Act. They should also be headed by a CEO accountable to a minister. CEOs should be issued with an annual letter from the minister. This should contain a “statement of expectations”. It’s against this which the CEO must regularly respond and report. It’s a step down from a similar charter issued by the PM to
his ministers. But this is the new chain of accountability; in theory at least. I assume failure to deliver is entered on a scorecard for future appraisal purposes. But of course such failures will go unchallenged, as we’ve seen.

In this model, there’re no executive boards with decision-making powers. The CEO’s solely accountable to the minister. He or she: dominates the structure, sets strategic direction, hires and fires, and determines all budgetary allocations. So the CEO is the new supreme. Boards, councils and commissions—however titled—are only advisory, even though their powers may be statutory. This is a pragmatic model. Lines of responsibility are clear, as are roles and processes for work planning and reporting. Many board and council jobs entailing status, power and influence have been transformed. Independent boards or councils have been converted to advisory status. The CEO has become all powerful.

It’s an onerous position for him or her. In fact it’s revolutionary for those more used to consensus and consultation. With that accountability goes control. And that’s something with which the Howard Government is obsessed. Control. It means broader views can be excluded and ideology enforced. An independent bureaucracy has long been a hallmark of the Westminster system. As Sir Humphrey Appleby put it: “Governments may come and go, but we go on forever.” That was certainly the Australian way until the 1970s: a cosy relationship between a lazy conservative government and the public service. Fortunately, that’s broken down. Since 1972, there’s been a more balanced relationship between Government and bureaucracy.

The Uhrig principles of themselves don’t change the status quo. But they do allow an ideological bent to gain a foothold. The line of accountability between a minister and his CEO is now very direct. While a CEO may ignore his advisory board or council, he dare not ignore his minister. That should cause great concern with this current Government. The National Health and Medical Research Council was “Uhrigged”, as the vernacular now has it. There, research supremos lost control of the budget. To be replaced by the ideological influence of Health Minister Tony Abbott. That is one real risk of the Uhrig model. The other model of government agencies are those not budget-dependent, but commercial in their operation. These are legally and financially separate from the Government. They fall under the Commonwealth Authorities and Companies Act (CAC Act). Control depends on the legislation and so is varying. They’re governed by boards in general, and operate as corporate bodies. They’re also accountable to the minister. They’re not covered by the Public Service Act. But they have full reporting obligations. It’s these two templates that are being applied to government agencies.

This bill deals with three agencies within the Treasury portfolio:

- The Australian Securities and Investments Commission (ASIC),
- The Corporations and Markets Advisory Committee (CAMAC), and
- The Australian Prudential Regulation Authority (APRA)

These agencies are budget-dependent, so they’re now covered by the FMA Act alone—and the Public Service Act. They can’t hold money in their own right. Generally, they must comply with the provisions of the FMA Act, as with all other FMA agencies. The CAC Act is no longer applicable. But there’re unique circumstances to be recognised. ASIC, for example, is the public watchdog which protects investors and enforces Commonwealth securities law. Those roles and responsibilities remain clear and unchanged. Likewise, CAMA’s role—to advise on regulatory action under corporation legislation or within the financial services industry—isn’t changed. Nor will the functions of APRA be altered. It’ll continue to regulate banks, credit unions and other financial and insurance industries. We can expect better accountability and performance. Being covered by the FMA Act doesn’t automatically improve accountability or performance. It simply makes it easier to achieve, if the Government is so motivated.

But accountability of government agencies doesn’t stop with ministers of the day. That’s supposed to be the Senate’s role—in theory at least. That’s why we have Estimates committees. And that’s why we take our responsibility so seriously. We must critically examine legislation and cut
through the spin and propaganda for the public’s good. This legislation’s far more important than the Minister would have us understand. It’s about accountability of appointed agencies; to the government, not to the people and the Parliament. That’s where accountability stops. And accountability—and the truth—is hard to come by under this Government. That’s certainly the case with Defence, where the culture of protecting information in peace time is treated the same as in war time. Defence is aptly named! Indeed, accountability is not a word in the lexicon of the current Defence Minister. So while the legislation’s good in theory, it’s limited in practice. As I’ve mentioned, there’s another theme behind these bills. Control.

The management paradigm over the past decade or so says “let the managers manage”. Enterprise management became the new management theme. Devolution became fashionable. In many cases, government activities were put at an arm’s length. The Finance Department was pushed aside by this government. The reason for that is political. If an agency is seen to be independent of government, then ministers aren’t accountable. There’s no political fly paper. But as we’ve seen under this Government, such operational freedom can have disastrous consequences. The scandal of the Australian Wheat Board is still before us. Here was a statutory marketing organisation set up to operate commercially, as with other government business enterprises. The sense of having it at arm’s length politically is now abundantly obvious. Not one government Minister was ever brought to account. That’s in spite of the corrupt and incompetent behaviour of the AWB, to our national shame and embarrassment. This is the risk with all government business undertakings. It’s why so many have been privatised. So it’s no surprise to see centralisation returning to the bureaucracy.

The Finance Department is resuming its controls over expenditure. The Minister and the Expenditure Review Committee are re-exerting themselves. That is, of course, with the exception of the authoritarian behaviour of the Prime Minister. In such regimes control is power. This is all relevant for the legislation we have before us today. The principles it will enact for the three agencies are valid. But they beg the question about their full implementation to other sacred cows. Where accountability remains as remote as ever, there’ll be more AWB scandals.

Good governance receives lip service, but political motive renders it ineffective. There’s more to accountability for this Government than that set out in this Bill. This is mere housekeeping and a flash of managing a large bureaucracy. It gets nowhere near the issues of

- Accountability for ministerial negligence
- Waste of taxpayers’ money and
- Outright deceit

Just remember the appalling record of children overboard. And the decision to go to war in Iraq. The dishonesty was palpable and never brought to account. Ministerial accountability is a joke. Freedom of Information is almost a dead letter. And as Labor knows, answers to questions on notice are treated with contempt. To that extent this bill is window dressing. But it’s better than an empty window. We support the Bill.

Question agreed to.
Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.57 pm)—I move the government amendment that has been circulated, which is minor, technical and, I understand, agreed to:

(1) Schedule 1, item 24, page 10 (lines 20 to 32), omit subsection 601AE(1A), substitute:

(1A) If the Commonwealth continues to act as trustee in respect of the property, subject to its obligations as trustee, the Commonwealth:

(a) in the case of money—must credit the amount of the money to a Special Account (within the meaning of section 5 of the Financial Management and Accountability Act 1997);

(b) otherwise:

CHAMBER
(i) may sell or dispose of the property as it thinks fit; and

(ii) if the Commonwealth does so—must credit the amount of the proceeds to a Special Account (within the meaning of section 5 of the Financial Management and Accountability Act 1997).

Note: ASIC may, for and on behalf of the Commonwealth, perform all the duties and exercise all the powers of the Commonwealth as trustee in relation to property held on trust by the Commonwealth (see subsection 8(6) of the ASIC Act).

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendment; report adopted.

Third Reading

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.58 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

QUESTIONS WITHOUT NOTICE

Budget 2007-08

Senator McLUCAS (2.00 pm)—My question is to Senator Scullion, the Minister representing the Minister for Families, Community Services and Indigenous Affairs. Can the minister confirm that, while the government will pay some carers a one-off bonus of $1,000, it is not giving the same amount to carers who are on the age pension? Is it not the case that carers on the age pension will instead receive a $600 bonus? Didn’t the Treasurer say in his budget speech that these payments were to ‘lend a helping hand to our carers’? Can the minister now explain why the government thinks some carers are worth $400 less of a helping hand than others?

Senator SCULLION—I thank the senator for the question. One of the things that has happened since the budget announcement, and something I think the senator should also reflect on, is the acclaim this government has received for recognising the huge efforts made by the carers of disabled Australians. They do an absolutely incredible job. We decided in this very generous budget that we would provide $1,000 to every carer who receives the carer payment and, in addition, $600 to every recipient of carer allowance. This has been very well received. This is a stand-alone incentive for carers who care for disabled Australians. I think it is a wonderful incentive. One needs to understand that it is completely separate from the range of other incentives, payments and pensions that we pay. Carers are in a very different position to a number of other individuals. It has been put to us that there are particular demographics that have not received similar sorts of payments. For example, people have said those on the disability pension perhaps need a one-off bonus. We have reflected on a particular special relationship, and the carer does have other costs associated specifically with looking after disabled people. The broad population of Australia have very much welcomed those payments, and I wish those on the other side would reflect on how important they are for carers.

Senator McLUCAS—Mr President, I was going to make a point of order; the minister was in no way answering my question. But, given that he has now sat down, I will ask my supplementary question. I note for the minister’s benefit that Labor strongly support additional assistance for carers, as we have in previous budgets. Why aren’t elderly carers, who often care for their partner or family member with a disability, eligible for the same bonus as other carers? Why
is the government discriminating against carers on the age pension?

Senator SCULLION—The policy on this is very clear. It does not matter about the age of the carer; we have not discriminated against carers because of age. We have simply said that, if you are a carer, you are divided into two demographics: to a carer who receives the carer payment, we are giving a very generous bonus of $1,000; and those on a carer allowance will receive a bonus of $600. There is no differential with the age of the carer.

**Budget 2007-08**

Senator FERGUSON (2.04 pm)—My question is to Senator Ellison, the Minister representing the Minister for Defence. Will the minister inform the Senate of initiatives announced in the budget to build a stronger Australian Defence Force?

Senator ELLISON—I thank Senator Ferguson for a very important question. The men and women of Australia’s defence forces do a fantastic job for this country and they deserve the investment of a budget which will provide $14 billion over the next 10 years. This budget continues the solid investment in the Australian defence forces by the Howard government. This is the seventh budget in a row where the government has met or exceeded the 2000 Defence white paper funding commitment. That demonstrates a clear, ongoing commitment to the defence forces of this country. Indeed, since 1996, when this government was elected, the defence budget has increased by about 47 per cent—that equals around two per cent of GDP.

This increased funding has been targeted in a number of ways. Firstly, our men and women need the technology and the materiel to do the job that they do so well. We also need to target the recruitment and retention of personnel in the Australian defence forces. We have set a target of 57,000 personnel over the coming decade, and to do this we have announced an initiative in this budget of $2.1 billion over the next 10 years. This is phase 2 of what we announced last year, which involved around another $1 billion. We have announced integrated measures which will benefit our defence personnel greatly. Firstly, there is the new home loan assistance package with higher subsidies and greater choice to encourage homeownership and provide higher benefits as members serve for longer periods. That is an initiative of $864 million—one which goes directly to the welfare and the benefit of our defence personnel.

As well as that, we have announced we will apply $71 million to an apprenticeship scheme so that people who join the ADF—young Australians aged 16 and 17—can commence an apprenticeship and then go on to serve in the ADF. We have also announced an investment in the professional development of the defence medical officers and also, importantly, an expansion and enhancement of the Defence Force cadet scheme, giving our young people across Australia the opportunity to enjoy the benefits that come with being a Defence Force cadet. That involves an initiative of around $100 million.

We have announced other initiatives in that $2 billion-plus package to enhance the position of our ADF and to make it more attractive for people to join and serve in Australia’s defence forces. This is increasingly challenging in the current economic environment that we live in, where you have competitive labour markets in the private sector who offer great incentives. But we also announced in this budget the acquisition of 24 Block II Super Hornet multirole aircraft at a cost of $6.6 billion over 13 years. That is an essential part of Australia’s air defence. We also announced funding of
about $380 million to increase Australia’s defence intelligence and security capabilities. That is so vital in protecting Australia’s security and national interests in the war against terrorism. This is an outstanding budget for the Australian defence forces and demonstrates yet again the Howard government’s clear commitment to giving our men and women in Australia’s defence forces the investment they need to carry on doing such a great job.

**Budget 2007-08**

Senator KIRK (2.08 pm)—My question is to the Minister for Community Services, Senator Scullion. Is the minister aware of the many people with disabilities who have called talkback radio over the last two days expressing their anger at being overlooked in Tuesday’s budget? Is he aware of Leanne from Kilburn, who rang the ABC in Adelaide? She said: ‘I am really disappointed. The so-called budget for everyone ignores once again people on disability support pension. What are we? Are we nothing?’ Also, has the minister read the media release from the Gippsland Carers Association which starts with the sentence, ‘People with severe and profound dependent disabilities are the biggest losers in the Howard government budget spree’? Can the minister explain why, when we have a surplus of over $10 billion, there are no new measures in the budget for people with disabilities?

Senator SCULLION—I think the important point is that this government is absolutely committed to providing each and every Australian with the support that they need to be an active member of the community. This year’s budget has provided additional support for many Australians, such as seniors and carers, who in many ways are the fabric of Australia’s fair go and our Australian way of life. In recognition of the work that these individuals have done, the government has seen fit to provide, for the fourth consecutive year, a one-off payment of up to $1,000.

Senator Chris Evans—Mr President, I rise on a point of order that goes to relevance. The minister was asked a question about people on disability support pension. He is seeking to read out his press release about carers and those on the age pension. My point of order should allow him time to find the right brief. I would ask you to draw his attention to the question about those people on disability support pension.

The PRESIDENT—I hear what you say, Senator, but the minister is only 43 seconds into his answer. He still has nearly three minutes and 17 seconds left. Both some who answer questions and some who ask them sometimes take a bit longer than others to get to the point. I would remind Senator Scullion of the question and remind him that he has just over three minutes to complete his answer.

Senator SCULLION—Additionally, this government set the single pension rate to at least 25 per cent of MTAWE. The single rate of pension has increased by $66.20 a fortnight. That is down to this government’s indexing, and that is $66.20 more than they would have received otherwise. These measures have significantly strengthened and protected the real incomes of pensioners. The Australian government has ensured that pensioners share in improved community living standards as measured by wages and are more than fully compensated for any price rises. The disability support pension is not taxable, whereas other pensions, including the age pension, and allowances are taxable.

Additionally, this budget committed to a range of additional measures for Australians with disabilities, including $39.8 million to provide an additional 1,480 vocational rehabilitation places and 987 places for the Dis-
ability Employment Network—another great incentive from an absolutely fantastic budget for some of our most disadvantaged Australians. There is $15.8 million to help highly disadvantaged members of society, including those Australians with mental illness and substance addiction. This investment will deliver an additional 2,000 multiple-barrier, intensive personal support places. That is an absolutely flexible incentive for this particular sector. There is $11.1 million over four years for improvements to mobility allowance to ensure that people working over 15 hours per week in a wage-assisted position will be eligible for the higher rate of mobility allowance of $104 per fortnight. There is $1.7 million to provide $300 training credits to people with disabilities who complete 150 hours of Work for the Dole. These are all magnificent incentives in the most recent budget to ensure that our disabled Australians are really looked after.

There is $12 million to fund improvements to the highly successful National Disability Advocacy Program. There is $166 million to assist in the funding of up to 18,000 supported employment positions over the next four years. How can those on the other side come into this place and start questioning the government about our credentials on looking after disabled Australians? Our credentials are the very highest. And we have been able to provide that assistance because we run the very best economy that this country has ever seen.

Senator KIRK—Mr President, I ask a supplementary question. Can the minister confirm that there is no new funding for the Commonwealth State/Territory Disability Agreement? Given the bipartisan recommendation of the Senate community affairs committee’s inquiry into the CSTDA to increase funding, what message does the government’s decision to ignore this funding send to people with disabilities?

Senator SCULLION—I thank the senator for the supplementary question because I think it is time the Australian people and this parliament were informed about the Commonwealth state disability agreement. We all agree in Australia that there is a large amount of unmet need in this sector. We have said to the states and territories, who are fundamentally responsible for disability, to give us an indication of what this unmet need is, not just state it in big letters with a ‘Please, just send us money; don’t worry about it.’ We sat down for the most recent CSTDA and said: ‘We’ll tell you what we’ll do. The largest area of unmet need clearly is in the area of supported accommodation and respite.’ Do you know what we put on the table, Mr President? We said, ‘Instead of 25 per cent, we will double our commitment uncapped to unmet need in supported accommodation and respite.’ Do you know what they did, Mr President? The Labor ministers responsible for disability, with the ink hardly dry on the paper, walked out. I can tell you right now: you will not get that kind of behaviour on this side of the parliament.

Honourable senators interjecting—

The PRESIDENT— Order! Senators on both sides of the chamber will come to order!

Budget 2007-08

Senator JOYCE (2.16 pm)—My question is to Senator Scullion, the Minister representing the Minister for Families, Community Services and Indigenous Affairs. Will the minister inform the Senate of government initiatives that will deliver support and greater financial security to Australian families?

Senator SCULLION—I thank the senator for his question and acknowledge his longstanding interest in the welfare of Australian families. What Senator Joyce needs to understand is that—
Opposition senators interjecting—

Senator SCULLION—I think it is a very important question; I am not sure about those on the other side. I say to Senator Joyce that one thing every Australian family should know is that this coalition government is the best friend Australian families have ever had. It was a fantastic budget, as we all know, on Tuesday: a record $4.5 billion over five years to further support families, children, people with disabilities, volunteers, Indigenous people and older Australians; and $3.94 million will be provided for the one-off lump payment to carers of people with disabilities or who are frail aged. Two million older Australians will receive $500 as part of a $1.3 billion one-off bonus payment for each older Australian who receives a utility allowance or a seniors concession allowance. Every older Australian has the discretion to go out and spend $500 on whatever they want. We have had so much support over that incentive—and it is a great thing for families. It does not matter if you are disabled or older, every family in Australia is going to be looked after in this fantastic budget. From 1 January 2008 this government will deliver greater incentives for older Australians, with changes to the pension bonus scheme enabling more members to gain access to the scheme. We are going to commit $46.4 million over four years to extend access to the pension bonus scheme. This is on top of the already significant commitment made by the Howard government to assist older Australians in retirement.

Again, a lot of families are trying to get into work—

Senator Chris Evans—I thought you had finished.

Senator SCULLION—The Leader of the Opposition might laugh. You have got to keep your eye on unemployment rates. They go down so quickly. I think they slipped down to 4.4 per cent today—plenty of jobs out there now. We are going to make sure that when you enter the workforce you have good child care. There is $1.1 billion in child care to deliver more financial assistance, extra places for children, high support needs and services operating in rural and regional Australia. The childcare tax rebate for families has been brought forward, so now it will be paid after the end of the financial year in which parents pay for their child care. On 1 July parents will gain further relief from childcare costs, with $729.9 million over four years, a greater than 13 per cent increase in child care. That is right, Mr President: an increase of over $1,000 per child per year. Families and parents around the country are so relieved that they can continue to enter the workforce and continue to make a contribution to our wonderful economy. In addition, we will be committing $43.8 million to ensure there is viable child care in those areas.

Opposition senators interjecting—

Senator SCULLION—in closing, it is National Volunteer Week next week and I invite the very noisy lot here who are unappreciative of this wonderful largesse being provided by the government to make a contribution. Get involved in Volunteer Week; join the canteen, sports, Boy Scouts. Go and make an effort. Volunteer Week is a very important week, and I appreciate your support. (Time expired)

Higher Education Funding

Senator LUDWIG (2.21 pm)—My question is to Senator Brandis, the Minister representing the Minister for Education, Science and Training. Is the minister aware of the claim by the Minister for Education, Science and Training on The 7.30 Report last night about the HECS increase for accounting, economics and commerce students that ‘universities are not obliged to raise HECS fees after all’? Hasn’t Professor Gerard Sutton of
the Vice-Chancellors’ Committee exposed this as a total nonsense today by saying ‘given the experience with flexible HECS, you would have to say the majority’ of universities will increase HECS fees? Isn’t it the case that, the last time the government increased HECS, all but one university passed on the increased rates, with the result that students took on an average increase in debt of $2,000 each? Why is the government trying to play a cynical smoke-and-mirrors trick with the community on increases in HECS fees?

Senator BRANDIS—I am aware of Ms Bishop’s remarks on The 7.30 Report last night, although I have not seen Professor Sutton’s remarks today. I can inform the honourable senator in relation to HECS places for accountancy that there will not necessarily be any reduction to overall funds available to universities for courses in accounting, administration, economics and commerce. The change to funding for accounting, administration, economics and commerce under the Commonwealth Grant Scheme is part of the broader Realising Our Potential package that will deliver an additional $1.7 billion to the higher education sector over the next four years, which includes a $557 million increase in funding under the scheme for many disciplines.

The simplified funding arrangements will give universities increased funding overall and greater flexibility to move their resources across disciplines. As part of the changes, funding arrangements for accounting, administration, economics and commerce will be aligned with law. This means that the maximum HECS fees for accounting and related disciplines will be raised to the same level as the fee for law. It will be a decision for each higher education provider whether to raise the student contributions for those disciplines, taking into account the overall benefits of the new funding arrangements. The higher education providers can reduce HECS.

The increase in the maximum student contributions for accounting and related disciplines reflects the considerable private return available to individuals studying in these fields over a lifetime and the commercial nature of these courses—as Senator Ludwig, a graduate of my own law school, the University of Queensland law school, would himself know. Within the University of Queensland, for example, the discipline of law and the disciplines of commerce, economics and business are taught in the same large faculty. Recent research estimates that there is an average lifetime gain of over $230,000 for business graduates compared with an average return for graduates across all disciplines of around $150,000. It could take about one extra year for a typical student to repay the HECS loan.

Any changes to student contributions will only affect students who commence studying at higher education providers after 1 January 2008. Students studying before this date will be able to continue under the existing arrangements until the end of 2012. There will be a transition fund to compensate higher education providers for students who continue under existing arrangements.

Senator LUDWIG—Mr President, I ask a supplementary question. I thank the minister for confirming that under the coalition government the fees will go up. Can the minister confirm that the budget cuts funding for accounting, economics and commerce students by $1,029 per year while at the same time increases HECS contributions for students in those courses by $1,215 per year? On top of the almost certain increase in HECS fees, doesn’t this show that the government is further shifting the cost of accounting, economics and commerce degrees onto students and doesn’t this fly in the face
of the government’s new found commitment to higher education?

Senator BRANDIS—Perhaps Senator Ludwig misheard my answer. Not only did I not confirm that the HECS fees would rise; what I said was that they may fall. The HECS fees for the disciplines of commerce, economics, administration and business will be bracketed with the HECS fees at the level charged by the discipline of law just as those courses at most Australian universities, including our own, Senator Ludwig, are commonly now bracketed together with legal studies because of the close complementarities between the two.

Workplace Relations

Senator ADAMS (2.26 pm)—My question is to Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Will the minister outline to the Senate how the Howard government is providing further protections and a stronger safety net for Australian workers? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Adams for her question and I note that she is a strong advocate for the state of WA. I understand that state may well be changing its name very shortly to AWA because of the great popularity of AWAs in WA! Today’s labour force figures show that unemployment in Australia has now reached a 33-year low of 4.4 per cent. Last month 49,600 new jobs were created, which means 326,200 new jobs have been created since our new industrial relations system came into law and 85 per cent of those are full-time jobs.

The Howard government recognise, unlike those on the other side, that the most important safety net any government can provide to its citizens is the opportunity to have a job, and the evidence is that we are doing just that. But we also recognise that there should be appropriate and strong protections for those who work whilst not being a disincentive to employment. It is all about getting the balance right. That is why we enshrined in law for the first time a number of minimum conditions which cannot be traded. These included annual leave, 10 days personal leave and a maximum 38-hour working week. Do you know what else we did? We introduced a minimum wage. That is something which the Labor Party forgot to include in their industrial relations policy when they announced it a short time ago. The basic component of any remuneration package is surely the basic minimum wage, and that is what Labor left out. Talk about incompetent and talk about not being ready to govern.

Senator Sterle interjecting—

The PRESIDENT—Order! Senator Sterle will withdraw that statement.

Senator Sterle—I withdraw that statement.

Senator ABETZ—It was never the intention of our legislation that workers should be able to trade off conditions without fair and adequate compensation. That is why the Howard government are moving to buttress the safety net by ensuring—

Senator George Campbell interjecting—

Senator Minchin—Mr President, I rise on a point of order. The noise is intolerable.

The PRESIDENT—You are quite right. Senator George Campbell, shouting across the chamber is disorderly and I ask you to come to order.

Senator ABETZ—It was never the intention of our legislation—

Opposition senators interjecting—

Senator ABETZ—Mr President, I know the opposition do not want to hear the answer, but the simple fact is that we as a government are committed to the potentially
vulnerable workers who are earning less than $75,000 per annum and we want to ensure that they are fully protected. It is going to be very interesting to see—

Senator Wong interjecting—

Senator George Campbell interjecting—

The PRESIDENT—Order! Senators on my left!

Senator ABETZ—whether those loud people on the other side will actually support our extra safety net provisions. Mr President, I was asked about alternative policies. The Labor Party announced their IR policy last weekend, and since that time we have seen seven changes to their policy—one every second day.

Senator Wong interjecting—

Senator George Campbell interjecting—

The PRESIDENT—Order! Senators on my left!

Senator ABETZ—The problem with this sort of policy on the run is that Ms Gillard and I, let alone poor Mr Rudd, never have any idea what the Labor Party policy is. Take compulsory bargaining fees, for example. Labor’s policy last weekend endorsed this compulsory unionism, and Ms Gillard affirmed that on radio. Now she is trying to tell us that bargaining fees have never been part of Labor’s policy. Well, which is it? Take your pick, although it is likely to change again tomorrow. (Time expired)

Workplace Relations

Senator FIELDING (2.31 pm)—My question is to Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Minister, I refer you to the Industrial Relations Commission’s recent decision that, under Work Choices, a company can sack a worker and readvertise the same job on a much lower salary. The commission revealed that, under Work Choices, it does not have to consider whether a valid reason existed as long as the sacking was for ‘operational reasons’, which is much broader than the ‘operational requirements’ which used to apply. Minister, given that Minister Hockey has publicly expressed alarm and admitted that this was not the intention of the legislation, will the government act to tighten Work Choices to prevent other employers engaging in sham redundancies and sacking Australian workers to save money?

Senator ABETZ—Can I say that, in general terms at least, Family First takes a very considered approach to matters of industrial relations, unlike those on the other side. When Family First raises an issue such as this, I am prepared and the government are prepared to look at it and consider what the outcomes may be in relation to our legislation. We have never said that our legislation is perfect. We have always said that we are willing to finetune it and consider any changes that might need to be made. That is why we moved amendments to our legislation before it was enacted and after it was enacted. As a government we have a great record of listening to the needs of the community and we will continue to listen and will continue to see what is required to ensure that we get the balance right in relation to our industrial relations system. Clearly, what we had in the past was a system that was so overregulated that there was a huge disincentive to employment. The latest figures brought out today indicate that our deregulation has allowed literally hundreds of thousands of Australians, who in the past
would not have had the benefit of employment, to gain employment.

I note with some interest that the people of France have made a decision overwhelmingly supporting a presidential candidate who is committed to the deregulation of the labour market. The interesting thing is that, whilst we were debating Work Choices, the two examples that I continually used of over-regulated labour markets and which those over there championed were in fact France and Germany, with high unemployment rates. The French people themselves have now acknowledged the need for deregulation. I simply say to those opposite in particular that, with our current regime, we are still more regulated than the UK labour system, under Tony Blair, and we are still more regulated than the labour system in New Zealand, under Helen Clark, a Labour Prime Minister. What it shows is that we are willing to take a sensible, balanced approach, and that is exactly what we will do when we consider the full impact of the decision to which the honourable senator refers.

Senator FIELDING—Mr President, I ask a supplementary question. Minister, what message do you have for the sacked Melbourne dad of two, Andrew Cruickshank, who was his family’s sole breadwinner and was out of work for five months after his employer, Priceline, dismissed him and readvertised his job with a much lower salary? How is Mr Cruickshank better off under Work Choices?

Senator ABETZ—The honourable senator has referred to a specific example of a Mr Cruickshank. I understand that in that situation the commission disagreed and held that there was no evidence that the operational reason was a sham. The significant financial loss of $17.2 million and the subsequent re-structure resulted in the dismissal of 32 employees. So the particular example to which the honourable senator refers unfortunately does not make his case. Nevertheless, I am not willing to dismiss out of hand the honourable senator’s concerns, and, as with all things, we as a government will continue to monitor very closely to see if any finetuning is needed. But Mr Cruickshank does not make the honourable senator’s case.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s gallery of a delegation from the Centre for Democratic Institutions, representing the Asia-Pacific region. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to our Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Resources Industry

Senator CHAPMAN (2.37 pm)—I direct my question to the Minister representing the Minister for Industry, Tourism and Resources. Will the minister inform the Senate of the importance of the resources industry to the Australian economy? Will the minister also inform the Senate of government policies which have helped the industry to take advantage of strong commodity prices? Has the minister considered any alternative policies?

Senator MINCHIN—I thank Senator Chapman for that question. It is very true that the mining and resources industry has been a great success story in recent years compared to just over five years ago, when many commentators, including, may I say, those opposite, urged a major economic shift in Australia away from mining and towards the dotcom sector. Mining was derided as the old economy and the dotcom boom on the NASDAQ was a symbol of the new economy which Australia had to embrace. It is
worth observing that, while the NASDAQ today is still below the peak level it reached in March 2000, Australia’s mining sector has gone on to achieve record profitability since that time.

Of course, the Howard government have been steadfast supporters of the mining industry. It was our government that abolished export controls on resources. It was our government that reformed the native title process. It was our government that introduced Australian workplace agreements. It was our government that took taxes off exports through the GST and increased diesel rebates for the mining sector. The Labor Party opposed all of these changes in keeping with a longstanding left-wing antipathy to the mining industry.

Whether on environmental or Indigenous policies or on industrial relations grounds, the Labor Party have a long history of regarding the mining industry with suspicion and even outright hostility. As recently as the last election, Labor promised to increase fuel taxes on the mining sector. They were going to increase taxes on fuel in the mining sector, making it less competitive. Now, with their usual double standards, the Labor Party claim that the government has complacently relied on a continuation of the mining boom to maintain economic growth.

Labor issue hyperbolic estimates of alleged revenue windfalls from the commodity boom. There are several points you need to make about this. Yes, the mining industry is important, but it should be kept in perspective. It accounts for six per cent of Australia’s GDP and 1.3 per cent of the workforce. In 2004-05—these are the latest figures—the company tax paid by the mining industry accounted for less than 10 per cent of total company tax revenue and 1.6 per cent of all taxation revenue. So, even allowing for an increase since then, it is clear that the surge in mining profitability, which we welcome, does not of itself explain the rise in tax revenue, which has come about through a stronger economy overall. Secondly, far from banking on a continuation of the mining boom, the budget, if they read it closely, assumes a fall in commodity prices in coming years. Even allowing for that assumption, the budget forecasts surpluses of more than one per cent of GDP.

Thirdly, there is ample evidence that, under Labor, there would be no mining boom of the magnitude that we have observed. In addition to opposing every single one of the pro-mining policies instituted by our government in the last decade, Labor now, extraordinarily, proposes to tear up AWAs and then, extraordinarily, unilaterally cut greenhouse gas emissions by 60 per cent. It is a fact that almost one-third of all employees in the mining sector in this country are employed under AWAs. Labor’s industrial relations policy would so compromise the strength of the mining industry that the world’s largest mining company, BHP Billiton, just said:

As it stands, the ALP’s proposed IR policy will not only abolish AWAs, it will also effectively get rid of the mining industry’s ability to capitalise on the current huge demand for minerals.

That is the world’s largest mining company condemning Labor’s policy for the damage it will do to the mining industry. It is the Labor Party that are showing extraordinary complacency. They seem to believe that prosperity just comes falling out of the sky or arrives on a boat from China. They do not understand that it has taken 10 years of hard work and hard policy reform—opposed every step of the way by those opposite—to deliver the outstanding outcomes we now see today.

**Budget 2007-08**

**Senator STERLE (2.41 pm)—**My question is to Senator Johnston, the Minister rep-
representing the Minister for Transport and Regional Services. Is the minister aware of the comment by the member for Kalgoorlie, Mr Barry Haase, on the budget that ‘there is nothing specific’ in it for his vast regional electorate? Is the minister also aware that the Treasurer did not mention the resources sector once in his budget speech? Isn’t it the case that infrastructure deficiencies continue to prevent regional Western Australia, particularly the north-west, from developing to its potential? Isn’t it also true that, over the last four years, the mining boom has pumped $300 billion above original estimates into the budget, allowing the government to spend up big in an election year? In the light of that, why has the government failed to make any new infrastructure investment in the budget to help resolve capacity constraints that are hindering development in regional Western Australia?

Senator JOHNSTON—Some people must have been celebrating very hard whilst the budget was being delivered on Tuesday night, because they are oblivious to the fact of the Australian government’s greatest ever investment in regional infrastructure in terms of roads and rail. For senators from Western Australia to come in here oblivious to the budget papers and—

Senator Sterle interjecting—

The PRESIDENT—Senator Sterle, you have asked your question. Come to order!

Senator Carr interjecting—

The PRESIDENT—Senator Carr, come to order!

Senator JOHNSTON—oblivious to government policy cites the fact that they only want to hear very selective things from within their own tight, pessimistic circle. Western Australia is receiving $1,704.5 billion over five years—$308 million in 2007-08. Where has the learned senator been for the last two days? It must have been a good celebration. There is $997.2 million for 20 projects and maintenance on the AusLink national land transport network—$165.9 million in 2007-08. A very depressed hush comes over the other side of the chamber!

Opposition senators interjecting—

Senator JOHNSTON—I am just telling you the facts! You have asked the question; I will answer it. Obviously, it is not something that you like to hear. There is $265.2 million for 142 local government councils to spend on local roads—$48.5 million in 2007-08. There is $22.5 million for nine strategic regional programs—$6.5 million in 2007-08. There is $23.9 million for an estimated 202 black spot projects—$5 million in 2007-08—and $395.7 million for untied local road grants to local authorities, $82 million of which is payable in 2007-08. Funding in 2007-08 for projects includes—and I have not even got to AusLink 2 yet—$64 million for the new Perth to Bunbury highway.

Senator Carr—But is that anywhere near Kalgoorlie?

Senator JOHNSTON—A senator from Victoria says, ‘Is that in Kalgoorlie?’ I have to tell you, when it comes to regional Australia they know it all! There is $23.9 million for upgrading works on the Great Northern Highway between Apple Street in Upper Swan and Wubin. I am waiting for the question, ‘Is that in Kalgoorlie?’ There is $28.1 million for the east-west railway which, they might wish to know, actually does go through the electorate of Kalgoorlie. There is $2 million for the upgrading of the Great Eastern Highway and Roe Highway interchange; $3 million to finish the Clackline township bypass on the Great Eastern Highway—which goes to Kalgoorlie, for those who did not know. (Time expired)
Senator STERLE—Mr President, I ask a supplementary question. Obviously, Mr Haase was not at your party the other night, either. Is the minister aware that the Treasurer tried to downplay the importance of the resources sector by saying ‘employment in mining is only one per cent of employment in this country’? Why has the Treasurer refused to even acknowledge the role of the great mining regions in Western Australia in delivering economic benefits for all Australians? Why is the government taking the hard work—

Government senators interjecting—

The PRESIDENT—Order! Senators on my right, come to order!

Senator STERLE—Thank you, Mr President. As I was saying before I was rudely interrupted, why is the government taking the hard work of the resources sector and regional Australia for granted and delivering very little in return?

Senator JOHNSTON—Senator Sterle needs to understand—and of course I am happy to assist him—that our mineral exporters use two things to get their minerals from the mines to the ports, and they are road and rail. Let me tell you, Western Australia has never been more successful on the international stage in achieving cost efficiency in doing that. In answering Senator Sterle’s question, I want to pause to provide a little assessment of what Labor brings to the party. I want to quote the chairman, I think it was, or the CEO, of BHP Billiton who said:

As it stands, the ALP’s proposed IR policy will not only abolish AWAs, it will also effectively get rid of the mining industry’s ability to capitalise on the current huge demand for minerals.

That is their contribution to mining. (Time expired)

Future Fund

Senator MURRAY (2.48 pm)—My question without notice is to the Minister for Finance and Administration. Minister, is it true that unfunded superannuation liabilities have risen by $8 billion in this budget, mostly through the military super schemes? Does the minister accept that these liability increases are expected, and that, anyway, the Future Fund is designed to cover these liabilities? Can the minister explain to the Senate why this government has refused to increase unfunded superannuation liabilities by about another $2 billion, which would also be covered by the Future Fund, by equitably recognising interdependent relationships not presently allowed in public sector super funds?

Senator MINCHIN—The answer to the first question is yes and the answer to the second question is yes. As to the issue of interdependency in public sector super schemes, while there has been no decision announced on that matter in this budget, it is a matter that we keep under review. It is certainly true, as Senator Murray alludes, that to change the policy with respect to interdependency would add some $2 billion to the unfunded liabilities which taxpayers must carry. That would be as a result of a policy change. The growth in the unfunded liability to which he previously referred, the additional $8 billion, is simply a function of existing policy and the fact that the military schemes remain open.

As you know, the government—indeed under my watch as minister for finance—has closed the PSS and all new public servants go into the accumulation fund, and I welcome warmly the public sector unions’ support for that move that we made a couple of years ago, with great cooperation from the relevant public sector unions. What is contemplated with respect to interdependency is
of course a specific change in policy which of itself would add $2 billion to those unfunded liabilities.

That is not an easy policy decision to make; nevertheless, what we have done in this budget is provide much greater flexibility to existing public servants with respect to their superannuation arrangements by ending the compulsory contributions required of them to the PSS and to provide choice of funds for public servants so that those who wish to have much more flexible arrangements with respect to their superannuation will now be able to elect to go into the fund of their choice, whether it be the PSSAP or a private sector fund.

I think that is quite a significant policy change on our part. It is one that I have been keen to see happen and I am glad that we have been able to achieve it. It will mean that those who may be in the categories to which Senator Murray refers that wish to have more flexible arrangements with respect to their superannuation will now be able to move now into an alternative fund. I welcome that change. It will mean a difference for existing public servants, albeit I acknowledge and understand that former public servants on current Public Service pensions, who may be in an interdependent relationship of the kind Senator Murray refers to, will not be assisted by that change, as welcome as it is. All I can say is that the fact that it carries a $2 billion unfunded superannuation liability price tag is not insignificant and it does weigh upon the government. Nevertheless we will keep the matter under review.

Senator MURRAY—Mr President, I ask a supplementary question. I regard the minister as sympathetic on the interdependency issue, but do I really need to remind the minister that this budget was expected to be the time to do it? Do you ask yourself what on earth the world is coming to when the Prime Minister cannot be trusted to keep his word to his own people?

Senator MINCHIN—With great respect to Senator Murray, I reject absolutely the accusations being made against the Prime Minister inherent in that question. I also reject what I presume is a pejorative in describing me and others as ‘synthetic’ and I would like to see Senator Murray’s reference to—

Senator Murray—I said ‘sympathetic’ not ‘synthetic’.

Senator Robert Ray—But it sounded like ‘synthetic’—you are right!

Senator MINCHIN—That is what I heard. My apologies, I heard ‘synthetic’ and I think others did. I would invite Senator Murray to provide to me the quote that he apparently relies upon in which the Prime Minister, he asserts, gave an unconditional promise to fix it this year. I would like to see the description of that promise. He is quite right to say that the Prime Minister has indicated considerable sympathy with respect to this issue, but he does have responsibility for the custodianship of taxpayers’ funds. We already have a massive unfunded superannuation liability which has been built up over a hundred years. This is the first government in the history of the Commonwealth to do anything about that unfunded superannuation liability. I would also point out to Senator Murray that we are currently undertaking a review of defence military schemes— (Time expired)

Defence: Budget

Senator HOGG (2.55 pm)—My question is to Senator Ellison, the Minister representing the Minister for Defence. Can the minister confirm that the defence budget state-
ments show that the $1 billion that was supposed to be spent on new equipment has been delayed for up to four years? Hasn’t spending of hundreds of millions of dollars worth of new equipment been delayed each and every year since the original Defence Capability Plan in 2001? Can the minister explain why the government is so manifestly unable to properly manage defence finances so that personnel get promised new equipment on time? What action is being taken to ensure that the $25 billion of new equipment that is supposed to be delivered over the next four years actually arrives on time rather than years late?

Senator ELLISON—I think that the last time I looked at it the vast majority of defence contracts were on time. Anybody these days who deals with defence procurement across the world realises that it is an area which is complex, involving technology and a number of stakeholders. You cannot assume that in every instance and in every contract everything is going to happen on time. I would challenge anyone to say that any contract under defence procurement is not without its difficulties.

I understand we are on track for the vast majority of our projects and I can say to the Senate that we have in this budget a vast array of announcements which deal with building on acquisition of material. I mention the acquisition of the Super Hornet multi-operational fighter. We have the funding for the Collins class submarines. We have the funding for a number of other logistics back-ups in relation to the ADF. These are measures that will enhance the operation of the ADF and we will continue with our acquisition programs. We have announced the multi-operational Super Hornet aircraft and we are on track for our Joint Strike Fighter. They are the most progressive purchase contracts for the defence of this country and its Air Force that have been announced. We also have—

Senator O’Brien—They’re just incompetently delayed!

Senator Carr—Do you have a model to put on your desk yet?

Senator ELLISON—Out of the capital that has been put to defence procurement for equipment none of the projects has been deliberately delayed. In fact the government’s decision to reprogram just over $1 billion in capital expenditure over the forward estimates is not a reduction for defence but a change in timing, which is appropriate.

Senator Carr interjecting—

The PRESIDENT—Order! Senator Carr, come to order!

Senator HOGG—Mr President, I ask a supplementary question. Seeing the minister now has a brief, he might be able to address the supplementary question. Can the minister confirm that defence is still waiting for additional new equipment such as troop lift helicopters to be delivered? Didn’t the Prime Minister say after the Bali bombings in 2002 that these helicopters would get fast-tracked and be delivered in 2006 because of the threat of terrorism? Why has the government failed to deliver this key antiterrorism capability on time, which is so essential for our national security? When will these helicopters be delivered?

Senator ELLISON—As I understand it, the phase 2 contract for 12 helicopters was signed in June 2005 with delivery for December 2007, thereby meeting the government commitment to an in-service date of 2007. These aircraft are essential for troop airlifts and for the security of this country and, as I understand it, they are online for meeting the government’s commission for in-line service by 2007.
Budget 2007-08

Senator TROOD (2.59 pm)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. I preface my question by noting that when the Howard government delivered its 12th budget this week it did so with a $10.6 billion surplus, the 10th such surplus in a row. In this context, will the minister outline to the Senate policies designed to maintain this economic growth and ensure continuing jobs and opportunity for all Australians? Will the minister also outline any alternative policies that might threaten Australia’s record prosperity?

Senator COONAN—Thank you to Senator Trood for the question and his strong commitment to jobs and opportunities for the people of Queensland. The Australian economy does continue to grow, with the longest period of expansion ever recorded, and of course the strong budget delivered by the Treasurer this week will help to lock in Australia’s long-term economic growth and prosperity. But all areas of government are responsible for building for the future, and a key economic driver in my portfolio is broadband.

Broadband is a critical technology to equip Australian business for the new economy and global markets made possible by rapid telecommunications. As the Senate knows, there are two commercial proposals on the table for a fibre high-speed broadband network in Australia: one by Telstra and one by a consortium of other telecommunications providers, the G9. Importantly, both proposals are commercial and fully costed, and Telstra and the G9 have now taken out full-page advertisements this week telling the world they do not need any taxpayers’ funds to build their fibre broadband network. So there is no debate about whether Australia can or should have a new high-speed broadband network; we will. The question is how we do it and what commercial incentives are needed to get the network build underway.

Labor has a plan to waste $5 billion of taxpayers’ money on a project that the industry will fund itself and takes out an ad to tell you it will. This is where we differ vastly from the Labor Party. Tonight Mr Rudd will no doubt ask the Australian people to trust him to run our trillion dollar economy when he delivers his speech in reply to the budget. But Labor’s broadband plan is a perfect illustration of the serious risk to the Australian economy if Labor ever got hold of the nation’s finances again. If Mr Rudd cannot see that he is wasting $5 billion on a fibre network that commercial enterprise will build on its own, then every taxpayer must ask: how can Labor possibly manage Australia’s trillion dollar economy?

The commercial companies vying to build a new broadband network—all 10 of them—have told me and told Labor, and now every newspaper reader across Australia this week, that they do not need taxpayers’ money to deliver this network. Telstra says Telstra needs no money from Canberra to build a world-leading broadband network—there it is. The G9 says the G9 plan does not require taxpayers’ funds—there it is. It will be independently financed. Mr Rudd might be very cocky about winning the election—we know he is very cocky—but he needs to get a much better grip on what needs taxpayer funding and what does not.

So here is the point: if someone offers to build a broadband network at no cost to taxpayers, would you really say, ‘No, I’ve just raided the Future Fund and emptied the Communications Fund, so have $5 billion anyway”? Mr Rudd’s proposal is a wanton waste of taxpayers’ money. It is beyond economic management. It is grossly negligent. Labor’s taxpayer plan smacks of economic...
inexperience and it proves beyond any doubt that Mr Rudd simply cannot be trusted to manage the Australian economy.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Workplace Relations**

**Senator MARSHALL** (Victoria) (3.03 pm)—I rise to seek an explanation from the Minister representing the Minister for Employment and Workplace Relations as to why there are 394 questions on notice to the Department of Employment and Workplace Relation remaining unanswered from the November 2006 supplementary estimates round that were due to be answered on 15 December last year. I also ask why there are 295 questions on notice remaining unanswered from the Department of Employment and Workplace Relations from the February 2007 additional estimates round which were due in by 30 March this year.

**Senator Carr**—What are you trying to hide?

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (3.04 pm)—It is noteworthy that before I could even utter one word Senator Carr came in with an interjection—the person who was responsible for a whole host of questions that cost the education department, if I recall, more than $1 million to answer. If you were to add the two figures that Senator Marshall has just indicated, there are 700 questions—

**Senator Chris Evans**—Mr President, I rise on a point of order that goes to relevance. The minister is abusing the process here. The minister was asked a specific question and he is now trying to make a political attack on Senator Carr.

**Government senators interjecting**—

**Senator Chris Evans**—Well, I suggest he can speak in the taking note debate. The senator has complied with standing orders; he has asked a direct question. Mr President, I ask you to ask the minister to answer the question.

**The PRESIDENT**—The Senate will come to order! Senator Abetz.

**Senator ABETZ**—I thought Mr Rudd was the only one with a glass jaw, but it looks as though it runs in the leadership of the Labor Party! The point that I was making was that the number is around 700 questions. That is one very huge workload by anybody’s standards. What we had in that period of time as well was a change in the ministry, and it is vitally important, especially in this sensitive area, to ensure that every answer is technically correct. As I understand it from the minister’s office, these questions are being answered, are being worked through. Often, answers are provided to the minister’s office and they then seek further information and it goes back to the department. It is taking a long time. I accept and acknowledge that that would be frustrating to those senators who have asked those questions and are seeking answers to them. I have raised that with the minister’s office and I have been given the assurance that they are working on providing the answers as expeditiously as possible.

**Senator MARSHALL** (Victoria) (3.06 pm)—I move:

> That the Senate take note of the explanation.

You would accept the minister’s response if it had some accuracy behind it, but the reality is that in the last estimates round all the outstanding questions asked of DEWR in respect of why they have not responded were answered this way. The heads of the departments said that all the answers had been provided to the minister’s office. They are sitting in the minister’s office being unan-
answered to us and to the Senate. The minister has the answers, which go to the question of the operations of the Work Choices legislation, the most vicious attack on working people’s terms and conditions of employment we have ever witnessed in this country. We have known that this attack reduces the wages and conditions of Australian workers and the government has known it too. The government knew it in the first round of Senate estimates when they provided the statistics to demonstrate that categorically. Since then they have stopped collecting the statistics and stopped answering our questions, yet the minister has the answers but just does not want to pass them on.

Up until the minister now, the minister and everyone else in the government have been saying how fair the Work Choices legislation is. When we asked questions, over two rounds of estimates, which went to that detail, what did we get back? No answers were received by the Senate. The answers simply went to the minister’s office, and the minister then used that information to draft amendments, because what those answers will tell the minister is that the government were absolutely wrong. Work Choices is unfair. Work Choices does reduce the wages and conditions and the family circumstances of working people in this country.

It is inappropriate that the minister continues to sit on the answers and not provide them to the Senate committee, especially when we are on the eve of another round of Senate estimates. That will be two rounds of Senate estimates without having the questions answered. We will go through another one; the questions will not be answered. On top of that, we have a Senate inquiry into the proposed amendment legislation on Work Choices. How is the Senate and how are Senate committees expected to do their work properly if these very fundamental questions about the operation of Work Choices are not provided to the Senate to enable us as a Senate committee and the Senate as a whole to use that information in our deliberations? It is completely unsatisfactory. The minister’s response that somehow these questions have taken up enormous amounts of time and resources, I must say, does not ring true because every department, in every instance, has done the work and provided the answers to the minister. The minister is simply sitting on the answers. The government do not want to provide the answers to the Senate because they know it proves what the opposition has been saying about Work Choices since day one. It is time the minister convinced the Minister for Employment and Workplace Relations to come clean and present to the committee the answer to the questions.

Question agreed to.

Senator Robert Ray—Mr President, on a point of order: I did not want to interrupt the eloquence of my good friend, but I was not aware that you could raise at this point unanswered questions from an estimates committee. You certainly can under standing order 74, but thank goodness I did not take the point of order before such an eloquent speech. I just want to know whether we are setting a precedent now and that we can do that into the future. You might like to reflect on that, Mr President, and on standing order 74.

The PRESIDENT—I understand that standing order 74 was amended on 11 December last year to allow this to happen.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Budget 2007-08

Senator O'BRIEN (Tasmania) (3.11 pm)—I move:

That the Senate take note of answers given by ministers to questions without notice asked by Opposition senators today relating to the 2007-08 Budget.
Firstly, I want to remark on Senator Johnston’s contribution in answer to Senator Sterle’s question today. I confirm that my recollection of budget night was that the parties that weretaking place were convened by government senators and in the offices of ministers. In my experience, there were no parties taking place on the opposition side. Indeed, the newspapers were reporting the functions that were being run so that donations could be made to the coalition’s election campaign. I recall seeing a number of people with visitor passes, who had been at parties, wandering around the Senate corridors. I think it is an absolute disgrace for Senator Johnston to misrepresent the facts, trying to make a theatrical point in answering a serious question from Senator Sterle.

In terms of the matters which he addressed, frankly it is pretty important to note that the member for Kalgoorlie saw nothing for his electorate in the budget. I am glad that Senator Johnston talked about a rail project; otherwise there would have been nothing he could have said about the measures in the budget that were directly related to the member for Kalgoorlie’s electorate. But he did remark about the mining industry. Of course, it is notable that this government has been in denial about the fact that the boom in the mining industry has been responsible for the economic position that this country faces at the moment.

The fact is that Treasurer Costello will not acknowledge that the Australian economy’s current performance is being driven by the mining boom rather than by good policy-making. The mining boom, in turn, is being driven by a world economy that is experiencing the best performance over three decades. Let me quote from Budget Statement 3: Economic Outlook, the Treasurer’s own paper, which says:

The world economy grew by 5.4 per cent in 2006, the fastest growth rate recorded in over 30 years ...

The budget papers acknowledge that the mining boom is the main story for the Australian economy. Further, on page 3-3, it says:

The Australian economy is adjusting well to the increasing global demand for mineral and energy resources ...

Further, it says:

The Australian economy continues to benefit from strong world demand, with labour and capital continuing to shift towards the mining and construction sectors in response to the increase in commodity prices.

I know that the government senators do not want to hear this because it gives the lie to the claims by the government that the mining boom is not responsible for this—that it is their economic management.

Government senators interjecting—

Senator O’BRIEN—I am glad that they are interjecting, because I know that this hurts. I know that they have been exposed as telling the Australian public an untruth about their performance. It is an untruth because we all know that, if the Chinese economy were not booming and if the mining sector were not booming, the money would not be there for the sorts of things which we heard described by one of the ministers opposite as ‘largesse’—the government’s performance in spending money was actually ‘largesse’. That was the word used by a government minister. If anyone else says something is largesse, never let the government say that it is wrong, because that was the word used by a government minister.

The mining boom is clearly a matter which is responsible for the best terms of trade we have ever had. The terms of trade reached their highest level in over 50 years in the December quarter. The recent strength
in the terms of trade has predominantly been driven by non-rural commodity export prices, which rose by 67 per cent over the past two years. The aggregate increase was dominated by large rises in the price of iron ore and coal, as well as mineral fuels, gold and metals. That is from Budget Paper No. 3. It is the Treasurer’s own paper that proves that this government’s economic performance rests substantially, if not entirely, on the minerals boom. The fact that the Treasurer is trying to walk away from it proves that this Treasurer is not prepared to be truthful with the Australian public about the benefits that they are receiving—the ‘largesse’ that they are receiving from this government is designed for one thing, and that is the government’s own re-election.

Honourable senators interjecting—

The PRESIDENT—Order! I understand that this may be Senator Ian Campbell’s last contribution to this chamber. I would ask senators to acknowledge that.

Senator IAN CAMPBELL (Western Australia) (3.16 pm)—I say, in taking note of answers, that what the Australian Labor Party needs to understand is that, yes, the minerals, gas and oil industries in Australia have never been in better shape, and they need to be in much better shape if we are to continue the prosperity that has been built in Australia since I made my first speech in this place back in May 1990, almost to the day.

In speaking of the minerals export industry and the development industry that is built around it, the prosperity that we see particularly in Western Australia and in states like Queensland—but all across Australia—has occurred because we have as a government since 1996 focused on policies that mean that we can develop those resources in a world-competitive manner. Taking away the Native Title Act restrictions that were put in place by Labor was a big part of that; reforming the Corporations Law, so that you can raise capital, and the takeovers laws were a big part of that; bringing into place environmental laws that ensured that you could get approvals through more quickly are a part of that; and of course industrial relations reforms were vital to that.

The Labor Party cannot become the friend of mining 10 days after it put through its national conference an industrial relations platform that would take Australia back to the 1950s. The north-west of Western Australia and the goldfields of Western Australia have been transformed by AWAs, which allow individuals to negotiate with their employers to create flexibility. That is a phenomenally important thing.

In this my last speech to the Senate I remind Australians that Australia is a much better place than it was in May 1990, when I came here. We did have a lot of leadership shown by the former Labor government—under Paul Keating’s leadership, particularly when he was the Treasurer—to open up the Australian economy, to float the Australian dollar and to allow more financial institutions in. We saw some phenomenal reforms, particularly under Peter Walsh when he was the Minister for Finance, to bring back the fiscal train wreck that was occurring. Labor did do some very good economic policy, and it had an opposition sitting over there that waved it through and encouraged it, as opposed to the opposition we have now that has sought to stop most of the economic reforms of the Howard-Costello era.

There are two points I would like to make in the short time I have; I have chosen to make it short because I think after 17 years in politics it is a bit hard to whinge about things that have not occurred—if you cannot do it then, you should get off and leave it to other people, which is what I will do. One thing that annoys the hell out of me, Mr
President, is that in the Senate we totally ignore the standing order about reading speeches. I read my first speech when I was sitting behind where Robert Ray is, but I hated reading it. I found it so boring and so painful. I chose that day not to read another speech and I have virtually stuck to that. I would recommend, particularly to the new senators who have joined us but also to all of you, that you learn how to make a speech without copious notes and without having to read it. Do your research, write it out if you want, learn it and then just give it off the cuff. It is a wonderful skill. I am far from perfect and in fact I am hopeless at reading speeches now. I think it is an incredibly important skill that only the Senate would uphold. They will not do it over the other side; they are not made of the right sort of stuff. It is a wonderful skill to learn. The Prime Minister is probably the greatest practitioner of giving an extempore speech—certainly in this country and possibly in the free world. He is a master at it. A lot of new members and senators, but particularly senators, should learn to do that. Throw away your copious notes, throw away those typed out speeches and the little lecterns that people are using, and learn to make a speech.

In terms of policy, Australia has changed a lot in the years since 1990. We are a much more open place and we have fiscal responsibility, which is building prosperity. It is wonderful to have been a part of a government that has brought in voluntary student unionism, for example, so that we have freedom on campus; I can leave this place knowing we have finally got that policy through. We had the waterfront reforms and the environment reforms—all these reforms are important.

The huge challenge, and it is becoming a cliche to say it, is to get climate change policy right. We have had a lot more realism brought into debate over the past few months. The time for the sort of lazy policy we see from some parts of the polity in Australia is changing. You do need a mix of heavy investment in new technologies and you do need market mechanisms. We need to find a market mechanism that suits Australia’s economy. We cannot just borrow a policy from Great Britain and say, ‘We will take a 60 per cent cut in 30 years.’ That is something that suits the islands of Great Britain, but a target that might suit them is very unlikely to suit the economic circumstances of Australia in the middle of the Asia-Pacific.

We need to work with China. I want to thank my friend Zhang Xiaoqiang, the Vice-Chairman of the NDRC in China. He and I made a joke last year in China about the fact that I think I have had more meals with Zhang than I have even had with my wife, Brenda, and our children over recent years. (Extension of time granted) I think that engagement with China in particular is something that Australia can do really well, developing market mechanisms and technology exchanges. The AP6, the Asia-Pacific partnership, is a wonderful way to pursue that.

I will just mention a few thankyou’s, firstly to Brenda and my family. They are in the gallery today. Thank you very much for putting up with what is an absurd lifestyle. We have had a wonderful journey as a couple and as a family. None of us can come here and change Australia and contribute to policy unless we have the support of a family. All of us have that, and I have been very lucky to have you, Brenda, supporting me and the kids.

I thank the many good friends I have made in this place, some lifelong. Choofer, on the front bench: we have been together since November 1980, from the Nedlands/Dalkeith Young Liberal days. It is an amazing friendship; I do not think we have ever had an argument. We have probably disagreed from time to time over some prese-
lections, but we always get there in the end. Mate, thanks for being there. Thanks for being a friend.

To friends and colleagues on both sides of the chamber, I have very much enjoyed making friendships and working with you. We all come here to improve Australia. Australia is a better place than it was back in May 1990, when I read that first speech. That is the result of a commitment from people in all political parties. We all come here to make it a better place.

I conclude by thanking the staff of the parliament: the clerks, the deputy clerks, the attendants Lorna and Kathy and everybody else, the Hansard staff and the Comcar staff. You all are an amazing team that contributes to making a big difference. I also thank the volunteers in the Liberal Party back in Western Australia, a much-maligned party. There are thousands of people; on both sides of the chamber we have volunteers who ensure that we are here and given the privilege to serve. So I thank all those thousands of people in the Liberal Party back in WA.

I conclude by saying that what is very, very special about serving in parliament is that we are part of a democratic institution. It is so phenomenally important. We take it for granted in a country like Australia. We had delegates from around the Pacific and around our region who are just learning how to create democracies at the moment and who are struggling, and it is only a few hundred years ago that men and women in the British Isles and in the United States—or America as it was then, before it became united—split gallons of blood on the battlefields before they created the parliament at Westminster and then ultimately the Congress in Washington. It is a very special thing to have a parliamentary democracy. Ours is based on the traditions of Westminster and Washington. They are phenomenally important institutions.

Getting to serve in them is an enormous privilege. Recognising the special thing we have built here in Australia is phenomenally important, and the quality of the government that that delivers is important.

It has been a privilege to serve. I will watch you all and I wish you all well for the years ahead. Thank you.

Senator LUNDY (Australian Capital Territory) (3.25 pm)—I take the opportunity on behalf of the opposition to wish Senator Ian Campbell all the best in his future endeavours. I note with great interest his acknowledgement of Labor’s economic reform and the importance of climate change and also his wistful, ideological nostalgia for the VSU, which of course we opposed but which we know is very dear to Senator Campbell’s heart. But good luck in the future, Senator Campbell, and all the best to you and your family.

My role here is to take note of answers to questions in question time today on matters pertaining to the budget. The key point I want to make, like many of my colleagues, is that this is not a budget designed for the long term, no matter what the government try to dress it up as. The facts are that the Howard government have for 10 long years squandered the positive economic circumstances that we found ourselves in, in particular the resources boom and the windfall arising from it.

I want to pick up the point that Senator O’Brien was making about the use of Senator Johnston’s term ‘largesse’. I think the implication of the use of that word is quite profound. In other words, the Howard government think they are doing people a favour. How condescending, and how exposing of the hubris and arrogance that now pervades the Howard government, that they can use such terms. It is quite offensive, and I think it definitively shows that there is a
shallow commitment, if there is any commitment at all, to the welfare and wellbeing of Australians, particularly those who provide caring roles and those most in need in our society.

For Labor’s part, we have been very focused on the issues of the future, the things that will shape our country now and from this time. They are the issues of education. It is about the infrastructure that makes our future possible, including broadband and the sorts of physical and social infrastructure that will underpin our society and economy.

On education, Labor has always been committed to building an education system that not only services our current needs but provides for opportunities for growth for all our young people and adults embarking on courses of lifelong learning, renewing their skills or changing their careers later in life. Mr Rudd’s policy of an education revolution has really resonated with Australians because people understand two things: that investment in education is necessary to make the most of our most valuable and renewable resource—that is, people—and that our education system has been not just neglected but hampered and damaged by the Howard government over the last 10 years.

These two things, both clearly understood by Australians, mean that any shallow attempt by this government to rid themselves of the reputation of the education underminers will be met with cynicism and disbelief, no matter how they try to dress it up in this budget. People are just sick of being manipulated, and they will not be fooled again.

The bottom line is that the Howard government does not have an eye for the future. It has only blinkered vision that sees only political problems to be resolved. As the alternative government, Labor takes its responsibility far more seriously than that and always will. It is just not good enough for Mr Costello to front up with a university endowment fund and think that the government will be forgiven for a decade of neglect. The fact is that the Treasurer is now smirking in the spotlight of an answer to a problem of his own making. It is not even the right answer; it is a headline in place of an answer. Our kids deserve better. They are the future, and their potential is in the hands of a government that cares more about short-term political power. Now, with HECS caps off, it looks like the Howard government has re-established universities as institutions primarily for those of wealth and privilege.

We know this because we have looked at some of the numbers that show the increases in HECS will pull some $200 million from people in the future. Further proof is that we are at the bottom of the OECD rankings for national investment in education of four-year-olds—a crucial development year. All of the research highlights this fact, yet this government has done nothing to make an investment there. In contrast, Labor has the policy to improve this situation. Further proof is the shrinking proportion of GDP that is spent on universities. (Time expired)

Senator McLUCAS (Queensland) (3.30 pm)—I also add my best wishes to Senator Ian Campbell for his future. We have crossed swords a bit over time, but I recognise that he has made a considerable contribution to the operation of this chamber.

Today I want to refer to the so-called answers given by Senator Scullion. Senator Scullion’s bluster and defensive responses to Senator Kirk’s and my questions provided no comfort to people with disabilities or older Australians who care for people with disabilities or elderly loved ones. It is not the style that that group of people are looking for, and it is not the way that they will feel they should be considered by this government. These are the facts that I tried to ask
Senator Scullion about today: a person who is on an age pension who is caring for an elderly partner or an adult child with a disability will not receive the $1,000 one-off payment that a person under the age of 65 will receive—a person on carer payment. Senator Scullion acknowledged that in a roundabout way today when he said there were two demographics. I am sorry, Senator Scullion; there are three. There is a group of people who are on the age pension but who do exactly the same job; they do exactly the same task as that of a person receiving a carer payment; they care for a person who is severely or profoundly disabled or an elderly person and they are not in receipt of the carer payment.

There is a large group of people who feel as if they have missed out, and rightly so. They will get $600 as a carer allowance recipient. That is the truth, and that is what this government has to deal with. The fact is that the application of this policy is discriminatory. It does discriminate on the basis of age. They do the same job, yet they get different treatment. Older people know that they are being treated differently. They know discrimination when they see it or feel it, and they will not be duped by Treasurer Costello’s patronising rhetoric that this is an acknowledgement of the fine work that they do.

I draw the government’s attention to a media release from Carers Australia in which they state:

Carers Australia is surprised and disappointed at the apparent disregard of recommendations it made for the 2007-08 Federal Budget.
They called for improved financial security for carers, for carer health initiatives, for strategies to assist carers to remain in the workforce and for a national carer framework. These are just a few of the recommendations Carers Australia say were overlooked in the budget. Mr Chodziesner said:
We were expecting a budget that would be family friendly. We thought we would hear announcements that would look to the future. There is nothing for family carers in this regard.

Now I want to go to the question that Senator Kirk asked. Senator Scullion said that the one-off payment was very well received. That is only partially true. It was very well received by those who will receive it. People with disabilities feel as if they have been overlooked in this budget. They feel forgotten. Leanne who rang the ABC in Adelaide said: ‘What are we? Are we nothing?’ Those questions are resonating across the sector. People with disabilities and people who provide services to people with disabilities feel that they have been overlooked and forgotten in this budget. I am sure that the government knows of their concern. The reason for their fury and their concern is that the budget has no indication of growth funding for the CSTDA, which is currently being negotiated. It is my understanding that the ‘negotiations’ that were held on 3 April could hardly be called that. Also, the outcome of those negotiations must be a multilateral agreement, but it looks as if we are heading toward bilateral agreements, which will not be useful. (Time expired)

Question agreed to.

COMMITTEES
Selection of Bills Committee
Report
Senator McGAURAN (Victoria) (3.36 pm)—by leave—I present the eighth report for 2007 of the Selection of Bills Committee
Ordered that the report be adopted.
Senator McGAURAN—I seek leave to have the report incorporated in Hansard.
Leave granted.
The report read as follows—
SELECTION OF BILLS COMMITTEE
REPORT NO. 8 OF 2007

1. The committee met in private session on Thursday, 10 May 2007 at 11.03 am.

2. The committee resolved to recommend—

That

(a) the provisions of the Communications Legislation Amendment (Content Services) Bill 2007 be referred immediately to the Environment, Communications, Information Technology and the Arts Committee for inquiry and report by 12 June 2007;

(b) the provisions of the Australian Centre for International Agricultural Research Amendment Bill 2007 be referred immediately to the Foreign Affairs, Defence and Trade Committee for inquiry and report by 12 June; and

(c) the provisions of the Tax Laws Amendment (2007 Measures No. 3) Bill 2007 and the Tax Laws Amendment (Small Business) Bill 2007 be referred immediately to the Economics Committee for inquiry and report by 6 June 2007.

The committee recommends accordingly.

3. The committee deferred consideration of the following bill to its next meeting: Repatriation of Citizens Bill 2007.

Stephen Parry
Chair

Environment, Communications, Information Technology and the Arts Committee

Extension of Time

Senator McGAURAN (Victoria) (3.36 pm)—by leave—At the request of the Chair of the Senate Standing Committee on the Environment, Communications, Information Technology and the Arts, Senator Eggleston, I move:


Question agreed to.

Legal and Constitutional Legislation Committee

Report: Government Response

Senator MINCHIN (South Australia—Minister for Finance and Administration) (3.37 pm)—I present the government response to the committee report. In accordance with the usual practice, I seek leave to have the document incorporated in Hansard.

Leave granted.

The document read as follows—


Executive Summary

The Telecommunications (Interception) Amendment Bill 2006 (the Amendment Bill) was referred to the Legal and Constitutional Legislation Committee for inquiry on 1 March 2006 for report by 27 March 2006.

This response addresses each substantive recommendation.

Substantive response to each recommendation of the report

Recommendation 1 – The Committee recommends that the Bill be amended to include a provision amending Section 280 and subsections 282(1) and (2) of the Telecommunications Act 1997, effective from the same date as the Bill, to make it clear that covert access to stored communications is not permitted without a stored communications warrant.

Government response to Recommendation 1: Accepted in part

The Government agrees that there should be no ambiguity surrounding access to stored communications. A general prohibition on accessing stored communications was implemented in the Telecommunications (Interception) Amendment Bill 2006. This response addresses each substantive recommendation.
Bill 2006 (the Amendment Bill) and can be found in Section 108 of the Telecommunications (Interception and Access) Act 1979 (the Interception Act).

To remove any uncertainty surrounding the relationship between the Stored Communications Warrants regime in the Interception Act, and other legislative powers of access arising from search warrant or notice to produce provisions, the Bill was amended to insert Section 108(1A). This provision clarifies the fact that covert access is only available by means of a Stored Communications Warrant under the Interception Act. Other mechanisms require written notice to be given to the sender or recipient of the communication and thus cannot operate covertly.

The Blunn Report has separately recommended the transfer of sections 282 and 283 Telecommunications Act 1997 (the Telecommunications Act) to the Interception Act. Implementation of this recommendation would create a single regulatory framework for access to telecommunications data for security and law enforcement purposes.

Recommendation 2 – The Committee recommends that the enforcement agencies able to access stored communications should be limited to those agencies eligible under the existing arrangements for telecommunications interception.

Recommendation 3 – The Committee recommends that the Bill be amended to permit stored communications warrants to be issued only in relation to criminal offences.

Government response to Recommendations 2 and 3: Not accepted

The Government has implemented a separate regime for access to stored communications to reflect technological developments in the storage of documents, and different privacy impacts. The new regime clarifies and centralises access arrangements for a range of enforcement (criminal-law enforcement, civil penalty-enforcement and public revenue) agencies, which have previously accessed to stored documents via a range of different warrant and notice to produce provisions.

It is not agreed that access to stored communications should be limited to intercepting agencies under chapter 2 of the Interception Act. The wider group of civil penalty enforcement and public revenue protection agencies have a legitimate need to access these types of information to enable effective investigations. This reflects the reality that the growing dominance of electronic communications in all forms of business and personal transactions displaces and renders obsolete agencies’ earlier powers of access to paper documents.

However, this access is subject to controls. In particular, stored communications warrants may only be granted in relation to investigations into a contravention of a law of the Commonwealth, a State or a Territory that is:

- a serious offence (the existing threshold for obtaining a telecommunications interception warrant, as defined by section 5 of the Interception Act);
- an offence punishable by imprisonment for a period, or a maximum period, of at least three years, or the equivalent pecuniary penalty (which is at least 180 penalty units for individuals or at least 900 penalty units for corporations); or
- a breach of a civil penalty provision that would render the person committing the contravention liable to a fine of at least 180 penalty units (or at least 900 units if the person is a corporation).

In accordance with section 4AA of the Crimes Act 1914, 180 penalty units is equivalent to $19,800 and 900 penalty units is equivalent to $99,000.

Recommendation 4 – The Committee recommends that the Bill be amended to require applications for stored communications warrants, and the warrant itself, to include information that clearly identifies the person who will be the subject of the warrant and the telecommunications for which access is sought.

Government response to Recommendation 4: Accepted in part

The form and content of a stored communications warrant were specified by the Telecommunications (Interception) Amendment Regulations 2006 (No. 1) made on 2 June 2006. The Regulations require the person to whom the warrant applies to be fully identified. Where the person’s name is
not known there is scope for a telecommunications service to be identified.

Recommendation 5 – The Committee recommends that the Bill be amended to allow issuing authorities to only include those currently able to issue interception warrants.

Government response to Recommendation 5: Accepted for further consideration

With the implementation of the stored communications warrant regime, it is necessary to expand the number of issuing authorities available for enforcement agencies to obtain a warrant where this is necessary. The ability for State Magistrates to be appointed as an issuing authority provides these additional resources, and parallels arrangements for general search warrant applications.

The Government accepts that there should be further consideration of this recommendation following a reasonable operational timeframe of the stored communications regime.

Recommendation 6 – The Committee recommends that, consistent with the existing arrangements for telecommunications interception, immediate action be taken to ensure the enforceability of the stored communications provisions on State and Territory agencies by requiring complimentary legislation to be enacted as a precondition to being granted the powers of an enforcement agency under the stored communications regime.

Recommendation 7 – The Committee also recommends that as an interim measure, the definition of an enforcement agency in the Bill be amended to allow for the ability to exclude an agency specified in the Telecommunications Interception Regulations from being able to obtain a stored communications warrant.

Government response to Recommendation 6: Accepted in part

The Interception Act provides oversight mechanisms for the stored communications regime in relation to all agencies that access stored communications by expanding the functions of the Commonwealth Ombudsman considerably to:

- inspect Commonwealth and State enforcement agencies records and report to the Minister regarding compliance with the Interception Act;
- do anything incidental or conducive to the performance of these functions; and
- communicate any accessed information to a State inspecting authority if it is relevant to the performance of the State inspecting authority’s functions.

The Government considers these protections adequate for the proper operation of the Act, and does not accept that complimentary State or Territory legislation should be a pre-condition for access to stored communications. As such, the Government also does not accept the need for the interim measures proposed at Recommendation 7.

However, the Government accepts that there should be further consideration of this recommendation following a reasonable operational timeframe of the stored communications regime.

Recommendation 8 – The Committee recommends that the Bill be amended to allow issuers of stored communications warrants to have regard to the length of time stored communications may have been held on a carrier’s equipment and whether the communications sought can be sufficiently identified in order to minimise the impact on privacy.

Government response to Recommendation 8: Not accepted

There are a number of matters which an issuing authority must consider before issuing a stored communications warrant including:

- how much the privacy of any person would be likely to be interfered with by accessing stored communications,
- the gravity of the alleged conduct,
- how much information would be likely to be obtained,
- what other methods have been used or are available to the agency, and
- how much the use of other methods would prejudice the investigation by the agency.

It is considered that these existing privacy considerations are sufficient when balanced with the community expectation that security and en-
forcement organisations will investigate serious offences.

Recommendation 9 – The Committee also recommends that the Bill be amended to require issuers of stored communications warrants to consider whether stored communications are likely to include communications the subject of legal professional privilege and whether any conditions may be implemented to prevent the disclosure of such communications.

**Government response to Recommendation 9: Not accepted**

The Government does not agree that an issuing authority should pre-empt a decision of a court in determining whether certain communications will or will not attract legal professional privilege.

The Government considers that it is impractical and inappropriate to require an assessment of whether communications may attract legal professional privilege in seeking a stored communications warrant. This proposition was recognised by the Full Federal Court in Carmody v Mackellar ([1997] 839 FCA).

Recommendation 10 – The Committee recommends that the Bill be amended to specify time limits within which an agency must both review their holdings of information accessed via a stored communications warrant and destroy information as required under the proposed section 150.

**Government response to Recommendation 10: Not accepted**

Agencies are required to destroy information obtained via a stored communications warrant as soon as the chief officer of the agency is satisfied that the information is not likely to be required for the purposes of an investigation being undertaken by the agency. The Ombudsman is required to inspect an agency’s records to ascertain compliance with the destruction of records and report to the Minister.

Additionally, agencies are required to provide a report to the Minister that sets out the extent to which records were destroyed.

The Government considers that these provisions provide appropriate obligations relating to the review and destruction of records. Where agencies are not complying with these obligations in a timely way, it can be expected that either the Minister or the Ombudsman will comment adversely on the fact.

Recommendation 11 – The Committee recommends that the Bill be amended to require agencies and the Minister to report on the use and effectiveness of stored communications warrants in a manner equivalent to the existing reporting obligations for telecommunications interception warrants.

**Government response to Recommendation 11: Not accepted**

The Government considers that the reporting obligations on enforcement agencies are appropriate.

Part 3-5 of the Interception and Access Act provides that the chief officer of an agency must cause records to be kept which include information such as each warrant issued to the agency and each instrument of revocation held by the agency.

Division 2 of Part 3-5 outlines the additional functions of the relevant State and Federal Ombudsmen in relation to inspecting the records of enforcement agencies and to report their findings to the minister. The Interception and Access Act requires that the Attorney-General table in Parliament a report setting out the information required by Part 3-6 each year. Chapter 5 of this report presents the information required under the Interception and Access Act.

Division 2 of Part 3-6 requires that the report tabled by the Attorney-General contains the following, in terms of each agency, and in total:

- Applications for stored communications warrants generally
- Telephone applications
- Renewal of applications
- Warrants issued containing conditions and/or restrictions
- Effectiveness of warrants

These obligations are consistent with the nature of the access conferred by the stored communications regime.
Recommendation 12 – The Committee recommends that additional resources be provided to the Ombudsman to enable the Office to fulfil the expanded functions under this Bill.

Government response to Recommendation 12: Accepted
The government has agreed to provide additional supplementation to the Ombudsman to fulfil its increased responsibilities arising out of the stored communications warrant regime.

Recommendation 13 – The Committee recommends that the Bill be amended to extend the timeframe for section 153 reports to six months.

Government response to Recommendation 13: Not accepted
The timeframe imposed for the stored communications reporting regime is consistent with the Ombudsman’s reporting obligations in relation to the telecommunications interception regime, ie by 30 September each year. However, in respect of agencies to which the telecommunications interception reporting regime does not apply, the timeframe imposed for the stored communications reporting regime means that the Ombudsman may not be able to decide which agencies to inspect until after 30 September when the agencies will have submitted their annual reports to the Minister and disclosed whether they have used stored communications warrants. For this reason it is important that all regulatory agencies co-operate to enable the reporting from the Ombudsman to take place in a reasonable period of time to ensure that any deficiencies that may impact on the integrity of the stored communications regime be identified and remedied in a timely fashion.

Recommendation 14 – The Committee recommends that the Bill be amended to ensure that copies of communications can not be accessed without a stored communications warrant.

Government response to Recommendation 14: Accepted in principle
A general prohibition on accessing stored communications was implemented in the Amendment Bill (Section 108 of the Interception Act).

The legislated stored communications access regime does not differentiate between ‘copies’ or ‘original’ stored communications. The regime applies to any communication that is not passing over a telecommunication system and is held on equipment accessed directly from a carrier. As such, no amendment to the legislation is considered necessary since the Committee’s recommendation is already the legal position.

Recommendation 15 – The Committee recommends the definition of ‘record’ be amended so that it applies in relation to accessing a stored communication.

Government response to Recommendation 15: Not accepted
The definition of ‘record’ in section 5 – a record or copy, whether in writing or otherwise, of the whole or part of the information – has two parts. The first relates to ‘information’ and the second to ‘an interception’. Since the former category includes stored communications, it is unnecessary to specifically add this to the definition.

Recommendation 16 – The Committee recommends that the issue regarding whether or not access to stored communications is accessible via the sender is settled and the Bill be amended as necessary.

Government response to Recommendation 16: Accepted
Adopted and implemented in the Amendment Act.

The definition of stored communications was amended to clarify that access to stored communications can be accessed via the sender or the receiver.

Recommendation 17 – The Committee recommends that prior to the passage of the Bill the definition of stored communications be amended so that the Australian Communications and Media Authority’s ability to enforce the Spam Act is not limited.

Government response to Recommendation 17: Accepted
The provisions allowing Australian Communications and Media Authority officers’ access to stored communications as part of their function of enforcing the Spam Act 2003 were substantially implemented in the Bill. The Government accepts that the stored communications regime should not adversely impact upon the enforcement of the
Spam Act, and will ensure that the regime does not impede those enforcement objectives.

Recommendation 18 – The Committee recommends that as a precondition to issuing a warrant under subsection 9(3), there must be evidence that the B-party’s telecommunications service is likely to be used to communicate or receive information relevant to the particular activities prejudicial to security which triggered the warrant.

**Government response to Recommendation 18: Not accepted**

Security and enforcement agencies are required to specify the facts and grounds on which any warrant is sought. In addition, interception of the B-party service is only available where the interception agency can satisfy the issuing authority that the person being intercepted will likely be contacted on that telecommunications service by the person of interest, that there is no other practicable means of identifying the services, and that interception of that service would not otherwise be possible.

One of the purposes of the B-party warrant regime is to enable the intercepting agency to identify a target’s service/s where the target is communicating with a B-party through otherwise unidentifiable services. It would unnecessarily limit the effective use of this provision to restrict the availability of such warrants to circumstances where the target is using the B-party to communicate or receive information directly relevant to the activities of concern. In the circumstances where the B-party is used to identify a target service, the agency can revoke a B-party warrant seek a specific direct warrant for the target’s service/s.

Recommendation 19 – The Committee recommends that the Bill be amended to require that an applicant for a B-party warrant demonstrate:

- evidence to support their belief that the information likely to be obtained from the intercept is material to the investigation; and
- establish that it cannot be obtained other than by telecommunications interception or the use of a listening device.

**Government response to Recommendation 19: Accepted in principle**

The Government agrees that sufficient evidence should be provided to an issuing authority to justify the issuing of a B-party warrant.

Specifically, paragraph 46(2)(c) requires the issuer of a B-party warrant to a law enforcement agency to have regard to the information provided in respect of the request for a warrant and to determine whether the information that is identified would be likely to assist in connection with the investigation.

Subsection 46(3) provides that a B-party warrant cannot be issued unless the issuer is satisfied that there are no other practicable methods available to the agency at the time of making the application or interception of communications made to or from a telecommunications service used by the person would not be practicable.

Recommendation 20 – The Committee also recommends that the proposed section 46(3) (which contains the requirement that the issuing authority must not issue a B-party warrant unless he or she is satisfied that the agency has exhausted all other practicable methods of identifying the telecommunications services used) be amended to exclude the word ‘practicable’, to ensure that before a person is subject to a B-party warrant no other way of approaching the problem is available.

**Government response to Recommendation 20: Not accepted**

The inclusion of the term ‘practicable’ is considered important from an operational effectiveness point of view. There may be cases where alternative methods of identifying telecommunications services are available, but in particular circumstances, not practicable when a covert approach is required.

The issuing authority would still need to be satisfied that a B-party warrant may be issued within the restrictions of the TIA Act.

Recommendation 21 – The Committee recommends that the Bill be amended to state that B-party interception warrants cannot be renewed. If further interception is required after a warrant expires, it must be the subject of a fresh application.
Government response to Recommendation 21: Accepted in principle
The Government agrees that a B-party warrant should not be renewable. Each application for any warrant under the Interception Act is a fresh application and must be assessed on its merits regardless of whether a warrant had been previously issued or was still in existence. If a warrant is about to expire, an agency may seek another warrant to start at the expiry of the existing warrant to ensure there is continuity in the investigation. Although the TIA Act refers to the renewal of warrants for reporting purposes, this has no relationship to the issuing requirements. As such, it is not considered that an amendment is necessary.

Recommendation 22 – The Committee recommends that Schedule 2 be amended to provide that certain material obtained under a B-party warrant will be exempted from use under the legislation. This material should include bona-fide communications between solicitor and client; clergy and devotee; doctor and patient and communications by the innocent person with any person other than the person of interest to the law enforcement agency.

Government response to Recommendation 22: Not accepted
As noted at recommendation 9, it is the Government’s position that the relevant court should determine whether certain communications will or will not be admissible in evidence.

Recommendation 23 – The Committee further recommends that the Bill be amended to introduce defined limits on the use and derivative use of material collected by B-party warrant.

Government response to Recommendation 23: Not accepted
The use and derivative use of information obtained via a B-party warrant is governed by the same strict rules as material obtained under a service or named person warrant.

The Interception Act restricts the derivative use of information obtained via any interception warrant in that an intercepting agency may only pass on the information to another agency where the information appears to relate to the commission of a serious offence which should be investigated by another agency.

The communication of interception product by intercepting agencies is subject to the oversight of the Commonwealth Ombudsman and State equivalents.

Recommendation 24 – The Committee recommends that:
- there should be strict supervision arrangements introduced to ensure the destruction of non-material content in any form;
- the number and justification of B-party intercept warrants should be separately recorded by the Agency Co-ordinator and reported to the Attorney-General; and
- the use of such warrants should be separately reported to the Parliament.

Government response to Recommendation 24: Accepted in part
The Government supports the implementation of effective reporting requirements for the communications interception regime and requires the use of B-party warrants to be separately reported within agencies’ annual reports to the Attorney-General, which are required within three months of 30 June each year. This information is required to be included in the Attorney-General’s annual report to Parliament that is prepared as soon as practicable after 30 June each year (section 99 et seq).

However, the Government notes that adding separate reporting requirements of B-party warrants to the Agency Co-ordinator who would then report to the Attorney-General would be a duplication of effort and not appropriate.

The destruction provisions in the Interception Act apply equally to B-party interception. These require the destruction of material once the general and special registers of warrants have been inspected by the Attorney-General. These registers are compiled by the Secretary of the Attorney-General’s Department every three months. After they are considered by the Attorney-General, a notice is provided to all agencies, at which point
they may destroy all material that is referred to in both registers (see Part 2-7). It is not considered necessary to stipulate specific supervision requirements for the destruction of material.

Recommendation 25 – The Committee recommends that the Bill should include a provision for the provisions to expire in five years, with a review at that time or earlier. The Review should encompass the broader issues surrounding the suitability and effectiveness of AAT members in the warrant issuing regime, together with consideration of ways in which the Act may be amended to take account of emerging technologies such as peer-to-peer technology.

**Government response to Recommendation 25: Not accepted**

In accordance with best practice regulation, the telecommunications interception regime is reviewed on a regular basis to refine the balance between security and enforcement requirements and privacy considerations. Full consideration of all the provisions within the TIA Act will be undertaken on an on-going basis.

Where it was considered appropriate, sunset provisions have been included for specific provisions in the Bill. For example, the provisions allowing measures to ensure the security of the AFP computer network, will expire two years from the date of enactment. This provides a temporary solution to an urgent operational requirement while a more permanent solution is developed.

However, the Government does not consider a sunset clause to be appropriate in relation to the wider Bill. The matters proposed in this bill do not reflect a response to a particular short-term issue that is likely to dissipate in the longer term. Rather, this legislation reflects a response to permanent changes in the law enforcement and national security environment, caused in large part by changes in technology. As such, it is anticipated that these legislative provisions will assume even greater importance in future.

Recommendation 26 – The Committee recommends that the recommendation contained at paragraph 3.2.5 of the Blunn report be adopted, and priority given to developing a unique and indelible identifier of the source of telecommunications and therefore as a basis for access.

**Government response to Recommendation 26: Accepted**

The Government supports the use of unique identifiers as the basis for access to communications. General provisions have been implemented to enable interception agencies to intercept communications to and from communications equipment such as mobile handsets and computer terminals via a unique identification number. These warrants will only be issued where the requesting agency can show that the unique identifying number is indeed a unique source and that there are no other practicable methods of identifying the telecommunications service.

The Department is continuing to work with agencies and industry in relation to unique identifiers for telecommunications equipment.

Recommendation 27 – The Committee recommends that the amendments proposed in Schedule 6 of the Bill be passed.

**Government response to Recommendation 27: Accepted**

Schedule 6 of the Bill was passed on 30 March 2006.

Recommendation 28 – Subject to the amendments set out above, the Committee recommends that the Bill be passed.

**Government response to Recommendation 28: Accepted in part**

As noted, the Bill was passed on 30 March 2006. The Government has accepted the majority of the recommendations of the Senate Committee’s report, with 18 of the recommendations already partly or wholly addressed though changes made to the Amendment Bill prior to passage or noted for future consideration.
Leave granted.

The document read as follows—

Government Response to the Recommendations of the Senate Environment, Communications, Information Technology and the Arts References Committee Inquiry

The Value of Water: Inquiry into Australia’s Management of Urban Water


Introduction

On 5 December 2002 the Senate Environment, Communications, Information Technology and the Arts References Committee (ECIT A) tabled its report “The Value of Water: Inquiry into Australia’s management of urban water.” The Australian Government would like to acknowledge the efforts of the Committee in preparing this report that addresses a range of issues relating to the management of urban water in Australia, and contributed to the debate leading to the creation of the National Water Initiative.

The Australian Government is committed to the efficient and effective management of Australia’s water resources. Major recent achievements include the National Water Initiative (NWI), the establishment of the $2 billion Australian Government Water Fund and the National Water Commission, and the Australian Government’s investment of $500 million in the Murray Darling Basin.

On 25 June 2004, the NWI was considered by the Council of Australian Governments (COAG) and signed by the Australian Government and the governments of New South Wales, Victoria, Queensland, South Australia, the Northern Territory and the ACT. Tasmania signed the NWI on 2 June 2005. Western Australia signed the NWI on 6 April 2006, completing the national coverage of the initiative. The NWI provides a blueprint for national water reform over the next decade and sets out a number of specific actions to be implemented as priorities by the signatory governments. These include specific actions regarding urban water reform. Implementation of the NWI will be overseen by the Natural Resource Management Ministerial Council (NRMMC) in line with detailed implementation plans to be developed by each state and territory and accredited by the National Water Commission (the Commission) by the end of June 2005. A copy of the Inter-governmental Agreement on a National Water Initiative is at Annex A.

The recommendations of this Senate Inquiry and a report by the Prime Minister’s Science, Engineering and Innovation Council (PMSEIC), “Recycling Water For Our Cities”, were considered during the development of the NWI. The PMSEIC report, released in November 2003, analyses the current situation and outlines options for overcoming water shortages.

Consistent with the NWI, the National Water Commission was established as an Australian Government independent statutory agency. The Commission will accredit state and territory government implementation plans, assess progress in implementing the NWI and advise on actions required to better realise the objectives of the NWI. The Commission will also undertake the 2005 assessment of progress with implementing water reform commitments under the National Competition Policy and administer the Water Smart Australia and Raising National Water Standards programmes of the Australian Government Water Fund.

The Australian Government has considered the report and is pleased to provide the following response, which is based on existing programmes and initiatives. The Committee’s recommendations are addressed in turn below.

GENERAL RECOMMENDATIONS

Recommendation A:

The Commonwealth play a more prominent role in driving the changes needed to manage urban water more sustainably.

RESPONSE

The Australian Government supports and is implementing this recommendation through a number of initiatives as outlined below.
COAG Water Reform Framework

As recognised by ECITA, the Australian Government and state and territory governments agreed to nationwide reform of urban and rural water management through the 1994 COAG Water Reform Framework. The Water Reform Framework sought to establish integrated and consistent approaches to water resource management throughout Australia, including in urban areas, and includes provisions for water entitlements and trading, environmental water requirements, institutional reform, water pricing, research and public consultation and education.

To help drive reform, COAG decided in 1995 that implementation of the reforms would be included under the umbrella of National Competition Policy (NCP). Under NCP, the Australian Government makes competition payments to the states and territories for the implementation of a range of important reforms—including the COAG Water Reform Framework. The National Competition Council (NCC) assessed the progress of jurisdictions in implementing reforms and made recommendations on the level of competition payments to the states and territories. Signatories to the National Water Initiative (NWI) have agreed that the National Water Commission will undertake the scheduled 2005 assessment of states’ and territories’ progress in implementing their NCP water reform obligations.

National Water Initiative

While much has been achieved under the Water Reform Framework, the Australian Government and state and territory governments recognise that there is a need to continue the reforms. In August 2003, with the leadership of the Commonwealth, COAG agreed to develop further options to progress the national water policy agenda through the development of the National Water Initiative (NWI).

On 25 June 2004, the Prime Minister and Premiers and Chief Ministers of the states and territories (except WA and Tasmania) signed an Inter-governmental Agreement on a National Water Initiative to complement and extend the Water Reform Framework to more fully realise the benefits intended by COAG in 1994. Tasmania signed on 2 June 2005. Western Australia signed on 6 April 2006 completing the coverage of the NWI. The NWI establishes a number of national water reform actions to be implemented as priorities by the Australian Government and state and territory governments over the next ten years, including with regard to urban water reform.

Specifically, agreed outcomes for the urban water reform element of the NWI include:

- healthy, safe and reliable water supplies;
- increasing water use efficiency in domestic and commercial settings;
- encouraging the re-use and recycling of wastewater where cost-effective;
- facilitating water trading between and within the urban and rural sectors;
- encouraging innovation in water supply sourcing, treatment, storage and discharge; and
- achieving improved pricing for metropolitan water.

The NWI also sets out the processes for ensuring ongoing implementation of reform actions. Central amongst these is the establishment of the National Water Commission (the Commission). The Commission has been established as an independent statutory agency within the Prime Minister’s portfolio. A key role of the Commission is to assist with the effective implementation of the NWI.

The National Resource Management Ministerial Council (NRMMC) is responsible for overseeing implementation of the NWI with reference to advice from COAG and in consultation with other Ministerial Councils. Ministerial Councils that may have a particular interest in aspects of the NWI include the Environment Protection and Heritage Council (EPhC), the Local Government and Planning Ministerial Council (LGPMC), the Primary Industries Ministerial Council and the Murray-Darling Basin Ministerial Council.

On 22 March 2006, the Prime Minister’s Parliamentary Secretary with special responsibility for water, the Hon. Malcolm Turnbull MP, announced an urban water inquiry. States and territory governments and water agencies have been invited to examine and report on impediments to and options open to major cities to render their water sustainable.
In August 2006 the Department of Prime Minister and Cabinet released a discussion paper on the Role of the private sector in the supply of water and wastewater services. Public submissions to the discussion paper will provide information to the Australian Government on the implications of private sector participation for Australia and its potential role as a source of investment, innovation and improved managed practices for water and sewerage services. The Parliamentary Secretary to the Prime Minister, Mr Malcolm Turnbull MP wrote to the state and territory governments and their government owned water utilities to seek their submissions on water supply and demand management issues. This information will be used to analyse the strategies and actions of capital cities and some regional centres to meet future water demands with an additional analysis of the financial and operational performance of government owned water utilities.

The Environment Protection and Heritage Council (EPHC) aims to ensure people enjoy the benefit of equivalent protection from air, water or soil pollution and from noise, wherever they live in Australia; and that decisions of the business community are not distorted, and markets are not fragmented, by variations between participating jurisdictions in relation to the adoption or implementation of major environment protection measures. With respect to water the EPHC in conjunction with the NRMMC, develops national approaches to water quality standards and improving water quality and monitoring, and conservation of Australia’s urban water resources.

The Local Government and Planning Ministerial Council (LGPMC) leads debate and decision-making on key strategic policy matters for local government and planning in Australia and New Zealand that can be addressed at the national level. The LGPMC has agreed to work in partnership with the NRMMC and the EPHC on water recycling and water sensitive urban design.

The Australian Government Water Fund
On 13 September 2004, the Prime Minister, the Hon John Howard MP, announced a $2 billion Australian Government Water Fund (AGWF) to assist with the funding of practical, on-ground water solutions. The Australian Government Water Fund will provide:

- $1.6 billion over six years for the Water Smart Australia programme to accelerate the smartest technologies and practices in water use across Australia, including $51 million over six years for the operational costs of the National Water Commission. Relevant to urban Australia, the Water Smart Australia programme can help assist projects that improve river flows, desalinate water, recycle and reuse stormwater and ‘grey’ water, provide more efficient storage facilities, develop water efficient housing design and provide alternatives to ocean outfalls and better management of sewage in coastal cities and towns;
- $200 million over six years for the Raising National Water Standards programme to lift Australia’s national capacity to measure, monitor and manage water resources. Areas for investment include water accounting, groundwater assessment, the conservation of high environmental value water systems and water efficiency labelling.
- $200 million over five years for the AGWF Community Water Grants programme to reward a culture of wise water use through grants of up to $50,000 to community organisations for on-the-ground work to increase water use efficiency, improve river or groundwater health or improve community education on water saving. This includes departmental funding of $23.1 million over five years.

The AGWF Community Water Grants programme will be administered by the Department of the Environment and Heritage with the assistance of the Department of Agriculture, Fisheries and Forestry.

The Environment Industry Action Agenda
The Environment Industry Action Agenda (EIAA) announced in September 2001 and currently being implemented, was developed by the environment industry and the Australian Government in consultation with mainstream industry and all State and Territory governments. The overarching goal of the EIAA is to ‘Capture the High Ground’. The objective of this goal is to provide clear leadership from both industry and
government to change the way the environment is viewed and the way environmental issues are addressed.

Fulfilling this recommendation, the Business Roundtable on Sustainable Development (BRSD), consisting of a number of CEOs from major businesses and chaired by Mr Leon Davis of Westpac Banking Corporation, was established to provide high-level business advice to the Government on ways to increase the uptake of sustainable business practices in Australia. The BRSD also promotes dialogue on key sustainable development issues between business leaders from a variety of sectors in the Australian economy and key Government leaders. The BRSD has held a number of meetings since 2003 has agreed on a vision of sustainable development from a business perspective, and reported to Ministers its views on a range of issues including sustainable water use.

The Barton Group of environment industry CEOs was established to champion and implement the industry aspects of the EIAA. In 2004 the Barton Group secured broad industry support and a matching grant of $190,000 from the AusIndustry Innovation Access Program to develop a roadmap for the Australian water industry. A comprehensive discussion paper was produced and discussed with stakeholders in consultation seminars held around Australia in November 2004 and the “Australian Water Industry Roadmap” was released in June 2005. This timely project will complement the policy work of the COAG National Water Initiative by identifying in-place best practice approaches to sustainable water use in Australia, with a view to promoting faster uptake of innovative technologies by water utilities and increased private sector involvement.

A comprehensive discussion paper was produced and discussed with stakeholders in consultation seminars held around Australia in November 2004 and a national ‘Blueprint’ is due to be released in mid-2005. In addition, Barton Group members, with support from industry and all levels of government, facilitated a major promotional publication “Water Innovation: A New Era for Australia”. Launched in four State capitals in mid 2004, this document was well received as an aid to policy and industry development reform.

**National Water Quality Management Strategy**

The Australian Government and state and territory governments have jointly developed the National Water Quality Management Strategy (NWQMS) to achieve sustainable use of the nation’s water resources by protecting and enhancing water quality while maintaining economic and social development.

The policies of the NWQMS emphasise the importance of ecologically sustainable development, integrated (or total) catchment management, best management practices, including the use of acceptable modern technology and waste minimisation and utilisation, and the role of economic measures, including ‘user-pays’ and ‘polluter-pays’ approaches. Implementation of the NWQMS was incorporated into the COAG Water Reform Framework in 1994.

In response to the need for further guidance on water reuse, the Australian Government and state and territory governments are progressing the development of National Guidelines For Water Recycling – Managing Health and Environmental Risks (the Guidelines). The Guidelines will promote the safe reuse and recycling of sewage effluent, greywater and stormwater for non-drinking purposes such as open space irrigation, industrial purposes, garden watering, car washing and toilet flushing.

The Guidelines will be implemented through the NWQMS and will supersede the current Guidelines for Urban Stormwater Management and Guidelines for Sewerage Systems – Use of Reclaimed Water. The Guidelines are being prepared in two phases - sewage effluent and greywater components currently being developed for completion by the end of 2005 and a stormwater component to be developed thereafter. The Guidelines will provide national guidance on best practice in water recycling and will use the innovative risk management framework approach pioneered in the 2004 revision of the Australian Drinking Water Guidelines by the joint National Health and Medical Research Council (NHMRC) and NRMMC. The NHMRC is undertaking further work to improve drinking water quality with the development of an Electronic Decision Support Tool for the management of rural and remote community drinking water supplies. The draft
tool has undergone national and international scrutiny and is expected to be finalised in late 2005. The NHMRC “Guidelines for Managing Risks in Recreational Water 2005” provide water managers with another tool that has a preventive risk assessment and risk management approach to the management of fresh (including drinking water reserves) estuarine and marine recreational water.

**Sustainable Cities Programme**

The Australian Government announced the establishment of the Sustainable Cities programme in May 2003. The programme is a new urban environment initiative aimed at making Australian cities and towns cleaner and more sustainable. Key features of the programme relevant to urban water management include:

- the national Water Efficiency Labelling and Standards (WELS) scheme which includes mandatory labelling and minimum performance standards for agreed appliances to reduce urban water consumption. Under the National Water Initiative (NWI), signatory state and territory governments agreed to have legislation to implement the WELS in place and a regulator undertaking compliance activity by 2005; and

- a new green buildings programme that includes the National Australian Built Environment Ratings System (NABERS) that will ensure that future building projects are more environmentally-friendly. NABERS enables building owners, users and tenants to rate the environmental performance of existing commercial office and residential buildings across a suite of key environmental impact areas including water use, stormwater runoff and pollution, and sewage outfall volume.

The Sustainable Cities programme also connects to a water cycle management plan for local government, undertaken by the International Council of Local Environmental Initiatives (ICLEI). As part of Sustainable Cities, the Australian Government is providing $1 million over five years to the ICLEI for the national rollout of its local government Water Campaign. This programme will link local government and water utilities with catchment management agencies and other resource managers to more effectively coordinate water supply, demand and discharge.

**Sustainable Schools Initiative**

The Australian Government supports schools management of resources, including water, through the Sustainable Schools Initiative. This initiative aims to integrate sustainable resource use practices into existing curriculum and daily running of the schools. Funding and capacity building are delivered by partnerships between both government and non-government organisations in most Australian states and territories. A critical element of the programme is incorporating and involving the school’s local community.

**National Water Savings Initiative**

As part of a National Water Savings Initiative, the Australian Government Department of Agriculture, Fisheries and Forestry has initiated a domestic water savings website to encourage urban Australians to help save water. Water savings ideas were gathered from public submissions and are featured on www.savewater.com.au. The website lists ideas and technologies for saving water around the home, garden, business, farm and public places. Examples include rainwater harvesting systems, grey water recycling, and other ideas.

**Focusing Commonwealth funded Research**

In the 2002, the Prime Minister announced Australia’s four National Research Priorities, which include the specific goal of supporting research that aims to deliver “Sustainable ways of improving water productivity, using less water in agriculture and other industries, providing increased protection of rivers and groundwater and the reuse of urban and industrial waste waters.” In a major initiative to focus research towards issues of national importance the Australian Government allocated an additional $305M over 7 years (from 2004/05) to the CSIRO to develop six new National Research Flagships in collaboration with other research agencies. In excess of $20M per annum of CSIRO’s resources is now allocated to undertake research to address national water issues under the Water for a Healthy Country National Research Flagship. The Australian Government is also providing $6.7 million through the Department of Education, Science and Training for a new International Centre of Excellence.
in Water Resource Management to be based in Adelaide. In addition, six Cooperative Research Centres with a focus on water issues have formed a CRCs Water Forum.

**Recommendation B:**

**A national approach is taken to overcome the jurisdictional barriers to better practice.**

**RESPONSE:**

The Australian Government supports and is implementing this recommendation.

The Australian Government has and continues to take a national approach to overcoming jurisdictional barriers to better practice through cooperation with state and territory governments and participation in intergovernmental fora such as the Council of Australian Governments (COAG) and various Ministerial Councils. Participation in these councils provides the opportunity to bring together jurisdictions to discuss and resolve cross-jurisdictional issues of national significance, including issues related to water.

COAG is the peak intergovernmental forum in Australia and is responsible for initiating, developing and monitoring the implementation of policy reforms that are of national significance and require cooperative action by Australian governments.

COAG agreed the 1994 Water Reform Framework, recognising that better management of Australia’s water resources is a national issue, and state and territory governments have made considerable progress towards implementing that agreement and moving towards more efficient and sustainable water management. Embedding achievement of the 1994 Water Reform Framework within the COAG National Competition Policy framework provided further incentive for jurisdictions to implement the agreed water reforms.

The National Water Initiative (NWI), agreed at COAG in June 2004, builds on and extends the 1994 Water Reform Framework and recognises the continuing national imperative to more fully realise the benefits intended by COAG in 1994. The NWI sets out priority reform actions designed to result in a nationally compatible market, regulatory and planning based system of managing surface and groundwater resources for rural and urban use that optimises economic, social and environmental outcomes. A key aspect of the NWI is the establishment of a National Water Commission to assist with the effective implementation of the agreement. The National Water Commission Act 2004 establishes the Commission as an independent statutory agency. The Commission is made up of seven commissioners, of whom four are nominated by the Australian Government and three by the state and territory governments. The Commission’s responsibilities include regularly assessing and providing advice to COAG on progress with implementing the NWI and promoting the objectives and outcomes of the NWI.

The $2 billion Australian Government Water Fund can also assist state and local governments, the private sector and community groups to overcome barriers to better practice by providing assistance for practical, on-the-ground water solutions.

The Natural Resource Management Ministerial Council (NRMMC) is responsible for developing policies and strategies for national approaches to the conservation, sustainable use and management of Australia’s land, water, vegetation and biological resources. Specific to water, the NRMMC is responsible for overseeing implementation of the NWI, in consultation with other Ministerial Councils as necessary and with reference to advice from COAG and for addressing ongoing implementation issues as they arise. The NRMMC provides annual reports to COAG on progress with the actions being taken in implementing the NWI. It has also developed a comprehensive national set of performance indicators for the NWI. The NRMMC has an agreed framework for a workplan, which focuses its efforts on facilitating jurisdictions to reach outcomes on those issues where compatible arrangements between jurisdictions are required under the NWI.

The Environment Protection and Heritage Council (EPHC) aims to ensure people enjoy the benefit of equivalent protection from air, water or soil pollution and from noise, wherever they live in Australia; and that decisions of the business community are not distorted, and markets are not fragmented, by variations between participating...
jurisdictions in relation to the adoption or implementation of major environment protection measures. With respect to water the EPHC in conjunction with the Natural Resources Management Ministerial Council, develops national approaches to water quality standards and improving water quality and monitoring, and conservation of Australia’s urban water resources.

The Local Government and Planning Ministerial Council (LGPMC) leads debate and decision-making on key strategic policy matters for local government and planning in Australia and New Zealand that can be addressed at the national level. The LGPMC has agreed to work in partnership with the NRMMC and Environment Protection and Heritage Council on the issues of water recycling and water sensitive urban design.

The National Water Quality Management Strategy (NWQMS) is another example of the Australian Government taking a cooperative approach to overcoming barriers to better practice. The NWQMS provides a nationally consistent approach to water quality management. Implementation of the NWQMS forms part of commitments under the 1994 COAG Water Reform Framework and, as a result, has been linked to the competition payments under the National Competition Policy arrangements.

Recommendation C:
A high priority be given to scientific research into water management coordinated at the national level.

RESPONSE:
The Australian Government supports, and is implementing this recommendation.

In December 2002 the Prime Minister announced four National Research priorities including the research agenda, “An Environmentally Sustainable Australia.” A key priority of this agenda is to devise “sustainable ways of improving water productivity, using less water in agriculture and other industries, providing increased protection of rivers and groundwater, and the re-use of urban and industrial waste waters.”

The National Research Flagship program led by CSIRO is aligned with the national research priorities. There are currently six flagships within the program, each focussing on a challenge of importance to Australia, including water. The Water for a Healthy Country flagship is focusing on developing a better understanding of the economic, social and environmental value the Australian community derives from the nation’s water resources with the aim of developing the technologies and information needed to deliver more value to the nation. The Flagship is focussed on 4 key research areas – Urban Water Systems, Irrigated Agriculture, Catchment Management and Riverine and Estuarine Ecology. The program is specifically designed to integrate, focus and direct national scientific resources and is about building collaborative partnerships and delivering results.

The Urban Waterscapes component of the Water for a Healthy Country flagship will encourage wise resource access, use and re-use through demonstration urban and rural water systems designed to deal with population growth, climate variability and climate change and the continually changing demands on limited water resources. The flagship is developing strong linkages with the COAG Water Reform Framework and will work collaboratively with other research partners to provide much of the science required to support implementation of the National Water Initiative (NWI) and water policy developments occurring at state and local government level.

The NWI recognises that significant knowledge and capacity building is needed to support its ongoing implementation. Particular areas identified are:

- regional water accounts and assessment of availability through time and across catchments;
- changes to water availability from climate and land use change;
- interaction between surface and groundwater components of the water cycle;
- demonstrating ecological outcomes from environmental flow management;
- improvements in farm, irrigation system and catchment water use efficiency;
- catchment processes that impact on water quality;
- improvements in urban water use efficiency; and
• independent reviews of the knowledge base.  

(Clauses 98 of the NWI) 

Under the NWI, signatory governments have agreed to: 

• identify the key knowledge and capacity building priorities needed to support ongoing implementation of the NWI; and 

• identify and implement proposals to more effectively coordinate the national water knowledge effort.  

(Clauses 101 of the NWI) 

In addition, the Raising National Water Standards programme of the Australian Government Water Fund will invest in lifting Australia’s national capacity to measure, monitor and manage its water resources. Under the Raising National Water Standards programme, $200 million will be invested over six years to support: 

• improved water accounting, including a nationally consistent system for collecting and processing water-related data; 

• strategic assessment of groundwater resources; 

• working with local communities to improve the conservation of water systems with high environmental values through measures such as planning, voluntary conservation agreements and improved knowledge; and 

• establishing and promoting the Water Efficiency Labelling Scheme for household water appliances and development and implementation of a “Smart Water Mark” regime for household gardens.  

A number of Cooperative Research Centres have a research focus on water issues and have formed a CRCs Water Forum. These include the Cooperative Research Centres for Coastal Zone Management, Estuary and Waterway Management, eWater (comprising the CRCs for Catchment Hydrology and Freshwater Ecology), Environmental Biotechnology (formerly, Waste Management and Pollution Control), and Water Quality and Treatment. The Forum enables coordinated research and joint problem solving across disciplines and organizations, drawing on the skills of, for example, engineers, ecologists and chemists. Issues that the Water forum CRCs work on include catchment management, wastewater management, urban stormwater quality, land use impacts and river ecology. Together their research interests cover the water cycle and enable them to inform public and scientific debate on national water issues. 

The Australian Bureau of Statistics has produced two water accounts and the third is in development now. These accounts have integrated data from across Australia into a standard format and the Bureau continues to work with governments at all levels as well as the private sector to ensure nationally consistent data collection and reporting. The water accounts link economic and environmental data, and have been used by government and academic researchers investigating patterns of water use, and for forecasting future water demands and how these demands may be affected by changes to water price and availability. 

The National Land and Water Resources Audit (the Audit) was established under the Natural Heritage Trust Act 1997 to provide a comprehensive national appraisal of Australia’s natural resource base. From 1997 - 2002 the Audit significantly progressed the collection and collation of primary data and information related to Australia’s natural resource management. With regard to water issues, the Audit reported on water availability, sustainability of use and environmental flows; infrastructure and development; groundwater sustainability-availability; demand and allocation; and groundwater quality. The Natural Heritage Ministerial Board has approved a continuation of the Audit from 2002 through to 30 June 2007. 

The Australian Government, through the Department of Education, Science and Training is funding a new International Centre of Excellence in Water Resource Management to be based in Adelaide. The Centre will be established by the Water Australia Group, a collaboration between sixteen institutions including six universities, TAFE South Australia, the CSIRO, key water research centres, South Australian government agencies and key industry partners. The Centre will work across the full spectrum of water resource management issues, from governance and policy aspects through to scientific, technical and engineering issues.
The collaborative Australian Water Conservation and Reuse Research Program is currently being developed by CSIRO and the Australian Water Association to fill knowledge gaps and provide firm foundations for policies and practices relating to water conservation and reuse. This program is supported under CSIRO's Water for a Healthy Country Flagship. The Australian Water Conservation and Reuse Research Program is supporting research into water conservation, reuse, water sensitive urban design, integrated water management, health considerations, new technologies, economic implications and arrangements, and agricultural and environmental issues.

The International Science Linkages programme (ISL), delivered by the Department of Education, Science and Training, is providing grant funding to the Oz AQUAREC project to develop integrated concepts in water reuse. The project contributes to 4 Work Packages (WP) of the European 5th Framework Project AQUAREC: Integrated Concepts in the Reuse of Upgraded Wastewater. The objective is to provide knowledge for a rational strategy for municipal wastewater reclamation and reuse as a major component of sustainable water management practices.

Through the Natural Heritage Trust and Ausaid, support is also provided to facilitate international access to Australian Science. For example, the Australian Water Partnership provides urban water systems knowledge to Southeast Asia and the Pacific as part of the Global Water Partnership.

Recommendation D: Efforts be made to enhance awareness of the environmental issues associated with water use and management.

RESPONSE
The Australian Government supports, and is implementing, this recommendation.

A key element of the National Water Initiative (NWI) is to engage water users and other stakeholders in achieving the objectives of the NWI, including by ensuring that sound information is available to all sectors at key decision points (Clause 93 of the NWI).

Signatory state and territory governments have agreed to ensure open and timely consultation with all stakeholders in relation to pathways for returning overdrawn surface and groundwater systems to environmentally sustainable extraction levels, the periodic review of water plans and other significant decisions that may affect the security of water access entitlements or the sustainability of water use (Clause 95 of the NWI). State and territory governments have also agreed to provide accurate and timely information to all relevant stakeholders regarding:

- progress with the implementation of water plans, including the achievement of objectives and likely future trends regarding the size of the consumptive pool; and
- other issues relevant to the security of water access entitlements and the sustainability of water use, including the science underpinning the identification and implementation of environmental and other public benefit outcomes.

(Clause 96 of the NWI)

Other agreed actions under the NWI that can enhance awareness of the environmental issues associated with water use and management are:

- Jurisdictions have agreed to prepare water plans, informed by best available science, socio-economic analysis and community input, for surface water and groundwater management units in which water access entitlements are issued. Broadly, water plans will describe the environmental and other public benefit outcomes for water systems and define appropriate management arrangements. Water plans will also determine the shares in the consumptive pool, or the amount of a water resource available for consumptive use, and the rules to allocate water during the life of the plan. In the implementation of water plans, jurisdictions will monitor the performance of water plan objectives, outcomes and water management arrangements and provide regular public reports (Clauses 36-40 of the NWI).
- Jurisdictions have agreed to periodic independent audit, review and public reporting of the achievement of environmental and other public benefit outcomes and the adequacy of water provision and management arrange-
ments in achieving those outcomes (Clause 79 of the NWI).

- State and territory governments have agreed to develop national guidelines for metropolitan customers’ water accounts that provide information on their water use relative to equivalent households in the community (Clause 66 on the NWI).

- With regard to demand management, jurisdictions have agreed to introduce legislation to implement the WELS and for the regulator to be undertaking compliance activity by 2005. They have also agreed to develop and implement a ‘Smart Water Mark’ for household gardens, including garden irrigation equipment, garden designs and plants (Clause 91 of the NWI).

- The effectiveness of temporary water restrictions and associated public education strategies will be reviewed and the scope for extending low-level water restrictions as standard practice will be assessed (Clause 91 of the NWI).

The Australian Government Water Fund’s Community Water Grants programme will provide $200 million over six years to promote a culture of wise water use. Local schools, communities and conservation groups will be able to obtain grants of up to $50,000 for projects to increase water use efficiency, improve river or groundwater health, or improve community education on water saving. The community will identify worthwhile projects at the local level and see them through to completion. Projects could include, for example, cost effective local stormwater harvesting and channel care, partnerships for efficient water use, and river care and riverbank repair.


In recognition of growing concern for water quality, the Australian Government initiated Waterwatch in 1993. Waterwatch is a national community-based water-monitoring network with a goal of involving community groups and individuals in the active protection and management of their local waterways. In urban centres Waterwatch raises community awareness and understanding about water and catchment issues as it relates to stormwater. Waterwatch programs in urban and regional areas have also developed and implemented a number of stormwater education campaigns, such as stormwater drain stencilling, and have engaged the community in monitoring and managing their local creeks.

During the Year of the Built Environment in 2004, the Australian Government worked with the Western Australian Government and the Royal Australian Institute of Architects on a national program of events and activities to showcase some of Australia’s most valued and innovative urban structures. Events were held which explored how Australians can contribute to a more positive and sustainable future, by demonstrating best practice and imparting the knowledge and skills to promote vibrant and healthy urban environments. They highlighted how, through managing industrial or household wastes, air and waterway pollution, reducing greenhouse gas emissions and efficient water and energy consumption, Australians can contribute to a more sustainable Australia.

The National Australian Built Environment Rating System will enhance the awareness of building owners, users and tenants regarding the environmental performance of existing commercial office and residential buildings across a suite of key environmental impact areas, including water use, stormwater runoff and pollution, and sewage outfall volume.

The domestic water savings website initiated under the National Water Savings Initiative lists ideas and technologies for saving water around the home, garden, business, farm and public places.

The National Land and Water Resources Audit provides a comprehensive national appraisal of Australia’s natural resource base and an independent, objective assessment of the extent of

The Australian Bureau of Statistics (ABS) has collected data on household water use and conservation measures since 1994. These data show more households are using water saving devices in homes (e.g. dual flush toilets and reduced flow shower heads) as well as adopting water saving practices in the garden (e.g. using mulch and recycled water). These national data were last produced in 2004 and are next scheduled for collection in 2007. ABS publications are available from www.abs.gov.au.

Recommendation E:
Water prices should better reflect the significant impacts of current extraction and discharge. Any extra revenue generated should be used to improve performance in this area.

RESPONSE:
The Australian and state and territory governments have and continue to pursue appropriate water pricing through the 1994 COAG Water Reform Framework and the 2004 National Water Initiative (NWI). The water reforms are also relevant to local government in jurisdictions where local government utilities provide urban water and wastewater services.

The objective of the Water Reform Framework is the efficient and sustainable reform of the Australian water industry. Guidelines for applying the pricing commitments in the Water Reform Framework were provided by the then Agriculture and Resource Management Council of Australia and New Zealand in 1998. The pricing commitments sought to achieve the economically efficient use of urban and rural water resources, infrastructure assets and government resources devoted to the management of water.

In relation to its assessments of implementation of NCP related water reforms, the National Competition Council considers the urban pricing reforms to be substantially complete. Almost all metropolitan and regional urban water businesses charge for water on the basis of the volume of water used. In addition, the prices of water and wastewater services are set to recover efficient business and resource management costs (at least at the lower bound of cost recovery) including the cost of appropriate asset refurbishment and augmentation, while avoiding monopoly pricing. All jurisdictions now use independent regulators to set or review prices or pricing processes. However, some elements of the pricing reforms, such as incorporating the costs of externalities are still to be fully addressed by the states and territories, and some urban water businesses are yet to achieve upper bound full cost recovery. Generally, there is no charge for the water itself (other than in the Australian Capital Territory, which applies a per kilolitre water extraction charge of 20 cents). The NWI aims to complement and extend the 1994 COAG Water Reform Framework. Under the NWI, signatory governments have agreed to implement water pricing and institutional arrangements which:

- promote economically efficient and sustainable use of water resources, water infrastructure assets and government resources devoted to the management of water;
- ensure sufficient revenue streams to allow efficient delivery of the required services;
- facilitate the efficient functioning of water markets, including inter-jurisdictional water markets, and in both rural and urban settings;
- give effect to the principles of user-pays and achieve pricing transparency in respect of water storage and delivery in irrigation systems and cost recovery for water planning and management;
- avoid perverse or unintended pricing outcomes; and
- provide appropriate mechanisms for the release of unallocated water.

(clause 64 of the NWI).

With regard to water pricing which reflects the impacts of water use, in accordance with NCP commitments, state and territory governments have agreed under the NWI to bring into effect pricing policies for water storage and delivery in rural and urban systems that facilitate efficient water use and trade in water entitlements, including through the use of:

- consumption based pricing;
- full cost recovery for water services to ensure business viability and avoid monopoly pricing.
rents, including recovery of environmental externalities, where feasible and practical; and

- consistency in pricing policies across sectors and jurisdictions where entitlements are able to be traded (clause 65 of the NWI).

Further to this, state and territory governments have agreed to specific actions regarding pricing in metropolitan areas, including continued movement towards upper bound pricing and the development of pricing policies for recycled water and stormwater that are congruent with pricing policies for potable water, and stimulate efficient water use no matter what the source (clause 66 of the NWI).

With regard to environmental externalities, jurisdictions have agreed to:

- continue to manage environmental externalities through a range of regulatory measures;
- continue to examine the feasibility of using market based mechanisms such as pricing to account for positive and negative environmental externalities associated with water use; and
- implement pricing that includes externalities where found to be feasible (clause 73 of the NWI).

These and other pricing reforms are scheduled under the NWI to be implemented by jurisdictions by the end of 2008 with some actions implemented on an ongoing basis. Implementation will be overseen by the NRMMC and subject to the biennial assessments of progress undertaken by the Commission.

Recommendation F: Australians generally be encouraged and assisted to use less water, recycle more effluent and significantly reduce the impact that urban development and its stormwater collection and transport has on natural systems.

RESPONSE: The Australian Government supports and is implementing this recommendation.

The objectives of the National Water Initiative (NWI) include, among other things, policy settings which facilitate water use efficiency and innovation in urban and rural areas. Urban water reform is a key element of the NWI. Parties to the NWI agreed that the outcome for urban water reform is to, among other things, increase water use efficiency in domestic and commercial settings; encourage the re-use and recycling of wastewater where cost effective; and encourage innovation in water supply sourcing, treatment, storage and discharge.

Parties agreed to undertake specific actions with regard to demand management, including:

- implementing the Water Efficiency Labelling Scheme and a ‘Smart Water Mark’ for household gardens (clause 91(i) and (ii) of the NWI); and
- reviewing the effectiveness of temporary water restrictions and associated public education strategies, and assessing the scope for extending low-level restrictions (clause 91(iii) of the NWI).

Parties also agreed to undertake a number of actions with regard to innovation and capacity building to create water sensitive Australian cities by the end of 2006, including:

- developing national health and environmental guidelines for priority elements of water sensitive urban designs;
- developing national guidelines for evaluating options for water sensitive urban developments;
- evaluating existing ‘icon water sensitive urban developments’ to identify gaps in knowledge and lessons for future strategically located developments;
- reviewing the institutional and regulatory models for achieving integrated urban water cycle planning and management, followed by preparation of best practice guidelines; and
- a review of incentives to stimulate innovation. (Clause 92 of the NWI)

The Australian Government’s $2 billion Australian Government Water Fund can also help to encourage and assist Australians to use less water, recycle more effluent and reduce urban impacts on natural systems. Under the Water Smart Aus-
Australia programme of the Australian Government Water Fund, $1.6 billion will be invested over 5 years to accelerate the smartest technologies and practices in water use across Australia. The types of projects that could be eligible for funding include, but are not limited to, on-farm water use efficiency improvements; recycling and re-use of stormwater and ‘grey’ water; more efficient storage facilities; alternatives to ocean outfalls and better management of sewerage; and developing water efficient housing design. The AGWF Community Water Grants programme can also assist communities to increase water use efficiency, improve river of groundwater health or improve community education on water saving.

Other Australian Government initiatives that can encourage and assist Australians to use water wisely and more efficiently and with less impact on natural systems include:

- the Sustainable Cities programme, particularly the WELS scheme, NABERS and the ICLEI’s local government water campaign;
- the Sustainable Schools initiative;
- the National Water Savings Initiative; and
- research activities such as CSIRO’s Water for a Healthy Country flagship and the Australian Water Conservation and Reuse Research Program, the Oz AQUAREC programme, CRC research activities.

**Specific Recommendation 1:**

**A National Water Policy**

The development of a National Water Policy (NWP) through a National Water Partnership Framework.

**RESPONSE:**

The Australian Government supports and is implementing this recommendation. The Australian Government and all state and territory governments, except Tasmania and Western Australia, agreed the National Water Initiative (NWI) on 25 June 2004. Tasmania signed on 2 June 2005 and Western Australia signed on 6 April 2006. The NWI provides a detailed plan, which sets out activities to be taken by signatory governments to improve the way water is managed. Many of the components of the National Water Policy proposed by the Senate Environment, Communications, Information Technology and the Arts References Committee (ECTFA) are encompassed within the NWI or are being addressed through other government initiatives.

The NWI was developed and is being implemented in partnership with signatory state and territory governments. A range of stakeholders were involved with the NWI’s development. A discussion paper was developed and a formal consultation process was conducted in March and April 2004 involving key stakeholders in each of the states and territories. The NWI also puts mechanisms in place for stakeholder involvement during its implementation (clause 93-97 of the NWI).

The National Water Commission (NWC) has been established under the NWI to provide advice on national water issues and to assist with the effective implementation of the NWI. In undertaking these tasks, the NWC will work with state and territory governments and consult with stakeholders where relevant.

Ministerial councils such as the Natural Resource Management Ministerial Council, the Environment Protection and Heritage Council and the Local Government and Planning Ministerial Council, involve all jurisdictions and allows for discussion and resolution of cross-jurisdictional issues of national significance. Intergovernmental agreements such as the National Action Plan for Salinity and Water Quality and the National Water Initiative involve all levels of government and enable stakeholder involvement.

**Specific Recommendation 2:**

The National Water Partnership Framework between all levels of government, research institutions, catchment management authorities and the general public should include:

- reforms to simplify institutional arrangements for urban water management;
- an examination of the effectiveness of COAG water reforms in achieving sustainable water management;
- collaboration between levels of government and all stakeholders;
- participation by local communities;
consideration of consumption targets in water service provider licences or revenue caps for retail water distributors; and

developing a system of water conservation targets in operating licences.

RESPONSE:
The Australian Government supports and has implemented much of this recommendation as outlined below.

Reforms to simplify institutional arrangements for urban water management:
Under the 1994 Water Reform Framework, COAG agreed the following with regard to institutional reform:

- to develop administrative arrangements and decision-making processes to ensure an integrated approach to natural resource management;
- to adopt an integrated catchment management approach to water resource management and set in place arrangements to consult with representatives of local government and the wider community in individual catchments;
- to the principle that, as far as possible, the roles of water resource management, standard setting and regulatory enforcement and service provision be separated institutionally and that this occur as soon as practicable;
- to the need for water services to be delivered as efficiently as possible and that comparisons of inter-agency performance be further developed, with service providers seeking to achieve international best practice;
- that the arrangements in respect of service delivery organisations in metropolitan areas in particular should have a commercial focus; and
- to the principle that constituents be given a greater degree of responsibility in the management of irrigation areas, for example, through operational responsibility being devolved to local bodies, subject to appropriate regulatory frameworks being established.

The National Water Initiative (NWI) builds on and extends the 1994 Water Reform Framework. Parties to the NWI agreed to reform institutional arrangements to achieve a number of outcomes, including:

- facilitating intra and interstate water trade (clause 60 of the NWI);
- best practice water pricing (clauses 64 and 74-77 of the NWI);
- integrated management of environmental water (clauses 78 and 79 of the NWI); and
- integrated urban water cycle planning and management (clause 92 of the NWI).

Parties to the NWI also agreed that as far as possible, the roles of water resource management, standard setting and regulatory enforcement and service provision continue to be separated institutionally (clause 74 of the NWI).

Such institutional arrangements are considered necessary by governments for providing effective and efficient water management for urban and rural use that optimises economic, social and environmental outcomes.

An examination of the effectiveness of COAG water reforms in achieving sustainable water management:

The 1994 COAG water reforms were incorporated as part of the National Competition Policy (NCP) in 1995. Under the NCP arrangements, the National Competition Council (NCC) assessed governments’ application of the water reforms in 1999, 2001, 2002, 2003 and 2004. It also conducted several supplementary and deferred assessments.

Under the NWI, the scheduled 2005 NCP assessment for water will be conducted by the newly established National Water Commission (NWC) (clause 11 of the NWI).

The NWC will also undertake a number of activities related to examining the effectiveness of water reforms agreed under the NWI as they are implemented over the next ten years. This will include:

- an initial assessment of Australia’s water resources and the governance, management and regulation of those resources;
- to determine whether the plans of the parties to the NWI for implementing the NWI are consistent with the objectives, outcomes, ac-
tions and timelines stated in the NWI, and to accredit those plans in accordance with the NWI.

- to advise the Australian Government or COAG, where relevant, on whether the parties to the NWI are implementing their commitments under the NWI;

- every two years starting in 2006-07, to assess against national benchmarks the performance of the water industry in managing and using Australia’s water resources and to advise COAG of those assessments;

- for 2006-07 and 2008-09, assessing the progress of parties to the NWI towards achieving the objectives and outcomes stated in, and within the timelines required by, the NWI. The NWC will advise COAG of its assessments and provide advice and recommendations on actions that the parties might take to better achieve those objectives and outcomes;

- in 2010-11, reviewing the NWI comprehensively and providing advice to COAG, including assessing:
  - the NWI against performance indicators that are to be developed by the Natural Resource Management Ministerial Council in consultation with the NWC;
  - the extent to which actions taken under the NWI have improved the sustainable management of Australia’s water resources and have contributed to the national interest; and
  - the impact of the implementation of the NWI on regional, rural and urban communities.

- **Collaboration between levels of government and all stakeholders; and**

- **Participation by local communities:**

The National Water Initiative (NWI) was developed and is being implemented through a collaborative process with relevant state and territory governments and relevant stakeholders.

During the development of the NWI, a discussion paper was developed and a formal consultation process was conducted in March and April 2004 involving governments consulting with key stakeholders in each of the states and territories.

The Australian Government recognises the importance of participation by local communities, especially on matters that affect them. To this end, parties to the NWI have agreed to engage water users and other stakeholders in achieving the objectives of the NWI by improving certainty and building confidence in reform processes, transparency in decision making and ensuring sound information is available to all sectors at key decision points (clauses 93-96 of the NWI).

- **Consideration of consumption targets in water service provider licences or revenue caps for retail water distributors:**

The National Water Initiative (NWI) approaches demand and supply issues through appropriate water pricing, although individual jurisdictions have the flexibility to introduce consumption targets. Water conservation targets were included in Sydney Waters’ Operating License in 1995. Currently Sydney Water is aiming at a target of 364 L per capita per day, falling to 329 L in 2010-11.

Rather than introducing revenue caps for retail water distributors, the National Water Initiative (NWI) establishes pricing policies based on consumption based pricing and full cost recovery for water services to ensure business viability and avoid monopoly rents. To provide greater transparency regarding the retail water distributors’ revenue, under the NWI, independent bodies will set or review prices, or price setting processes, for water storage and delivery by government water service providers and will publicly review and report on pricing. In addition, state and territory governments are required to report independently, publicly, and on an annual basis on benchmarking of pricing and service quality for metropolitan, non-metropolitan and rural water delivery agencies. (clauses 65-77 of the NWI).

- **Developing a system of water conservation targets in operating licences:**

Whether to include water conservation targets in operating licences is a decision to be determined by the relevant licensing authority in each jurisdiction. This enables such targets to be determined according to local or regional circum-
stances. Schedule D of the National Water Initiative (NWI) sets out the principles for regulatory approvals enabling water use and works at a particular site.

Specific Recommendation 3:
Setting targets
The NWP should include agreed State and local targets with timeframes for:

- catchment protection and rehabilitation;
- rehabilitating natural waterways and wetlands;
- effluent reuse;
- stormwater retention and pollution removal;
- subsidies to encourage domestic rainwater tanks;
- better maintenance and monitoring and reporting of leaks;
- per capita water consumption reductions;
- long term infrastructure investment;
- decentralised, small scale sewage treatment; and
- reducing effluent to ocean outfalls.

RESPONSE:
The Australian Government does not support this recommendation.

A national water policy framework is not the appropriate forum for setting state and local targets and timeframes for many of the areas listed in the recommendation. The National Water Initiative (NWI) provides a management framework for addressing many of the areas listed within agreed timeframes, and provides state and territory governments with the flexibility necessary for tailoring solutions to suit local or regional needs and circumstances.

- Catchment protection and rehabilitation; and
- Rehabilitating natural waterways and wetlands:

With regard to catchment protection and rehabilitation and rehabilitating natural waterways and wetlands, a key element of the NWI is integrated management of environmental water. Parties to the NWI have agreed that the outcome for integrated management of environmental water is to identify within water resource planning frameworks the environmental and other public benefit outcomes sought for water systems and to develop and implement management practices and institutional arrangements that will achieve those outcomes by:

- identifying the desired environmental and other public benefit outcomes with as much specificity as possible;
- establishing and equipping accountable environmental water managers with the necessary authority and resources to provide sufficient water at the right times and places to achieve the environmental and other public benefit outcomes, including across State/Territory boundaries where relevant; and
- optimising the cost effectiveness of measures to provide water for these outcomes (clause 78 of the NWI).

In addition, the Australian, state and territory governments, through the Natural Resource Management Ministerial Council, agreed to adopt a common framework for developing national standards and targets. The Council has endorsed two national level documents to assist with setting targets, monitoring, evaluation and reporting on natural resource management. They are the National Framework for Natural Resource Management Standards and Targets and the National Natural Resource Management Monitoring and Evaluation Framework.

The standards and targets framework sets out national outcomes that investment in natural resource management, through programs such as the National Action Plan for Salinity and Water Quality and the extension of the Natural Heritage Trust, should work to achieve. The framework also identifies ‘matters for target’, designed to help focus efforts to achieve the national outcomes. As part of the regional planning process, regional NRM plans prepared by the regional bodies will need to set targets for all relevant ‘matters for targets’ listed in the framework.
• **Effluent reuse;**
• **Stormwater retention and pollution removal;**
• **Decentralised, small scale sewage treatment; and**
• **Reducing effluent to ocean outfalls:**

An outcome for urban water reform under the NWI includes encouraging the re-use and recycling of wastewater where cost effective (clause 90 of the NWI). The NWI includes a number of related actions to be implemented by 2005 or 2006, including actions to facilitate the uptake of water sensitive urban developments, to achieve integrated urban water cycle planning and management and to stimulate innovation (clause 92 of the NWI).

Other Australian Government initiatives such as the National Guidelines for Water Recycling – Managing Health and Environmental Risks and the OzAquarec program will potentially provide guidance and information necessary to facilitate increased reuse of wastewater and reductions in effluent discharges to ocean outfalls.

The Natural Heritage Trust’s Coastal Catchments Initiative focuses on coastal water quality hotspots, in particular priority catchments draining to the Great Barrier Reef Lagoon, as well as urban areas and other coastal catchments throughout Australia. This national Natural Heritage Trust program aims to improve the condition of urban river estuaries and coastal waters through implementation of the Australian Government’s Framework for Marine and Estuarine Water Quality Protection. The planning and management framework addresses pollutant loads and environmental flows so as to protect the Environmental Values of receiving waters consistent with the National water quality Management Strategy’s National Policies for Provision of Water for the Environment. Information on the program is available on-line at [http://www.deh.gov.au/coasts/index.html](http://www.deh.gov.au/coasts/index.html)

In addition, the Water Smart Australia programme of the Australian Government Water Fund will invest $1.6 billion over six years to accelerate the smartest technologies and practices in water use across Australia. Recycling and reuse of stormwater and ‘grey’ water, alternatives to ocean outfalls, better management of sewerage in coastal cities and towns and developing water efficient housing design are examples of the types of project that could be eligible for funding under the programme.

• **Long term infrastructure investment:**

The Australian Government Water Fund (AGWF) does not include targets for long-term infrastructure investment, however it will provide $2 billion over 6 years to assist with funding practical, on-the-ground water solutions.

• **Subsidies to encourage domestic rainwater tanks:**

It is a responsibility of state jurisdictions or local governments or authorities to determine if subsidies for rainwater tanks should be provided. The utility and cost-effectiveness of rainwater tanks as an alternative source of water supply varies according to local conditions. As a result, setting targets may not always be appropriate.

• **Better maintenance and monitoring and reporting of leaks:**

With regard to better maintenance and monitoring and reporting of leaks, state and territory governments have agreed under the Natural Water Initiative (NWI) to prioritise and implement, where cost effective, management responses to water supply and discharge system losses including leakage, excess pressure, overflows and other maintenance needs by 2006 (clause 91 of the NWI).

The Australian Government Water Fund can also provide assistance for these initiatives. On 19 May 2005, the Prime Minister announced the first projects to receive funding under the Water Smart Australia programme. The programme will provide $3.15 million over four years towards an investment of $9.45 million in a Gold Coast project which will use innovative pressure management techniques to secure additional water supply for the city from realised water savings of between 7 and 10 gigalitres per annum. It will establish 108 separate metered areas in Gold Coast’s existing water supply reticulation system and install pressure reducing valves in the pipes to reduce leakage by approximately 14 per cent of total city consumption.
The project is the largest and most comprehensive pressure reduction programme undertaken by an Australian water utility. It will play a significant role in demonstrating to the Australian water industry the benefits of water loss and pressure management as a means of improving water distribution efficiency, water use efficiency at the customer level and realising additional cost-effective water supplies. These outcomes will make a significant contribution to achieving the urban water industry objectives of the National Water Initiative.

The Australian Government investment allows the project to be implemented over a shorter time period, which will maximise the water savings benefits and the demonstration value of the project.

• **Per capita water consumption reductions:**
The NWI does not set targets for per capita water consumption reductions, however it seeks to put in place policy, institutional and regulatory settings that increase the productivity and efficiency of water use in Australia and ensure the health of river and groundwater systems.

**Specific Recommendation 4:**

**Setting standards**
The National Water Policy (NWP) should set standards that include:

• **model planning codes that incorporate water sensitive urban design principles, supported by multidisciplinary training;**

• **national water efficiency standards and rating schemes for appliances and building systems;**

• **best practice guidelines in:**
  - the design of stormwater infrastructure and management,
  - urban forms that minimise impervious areas,
  - greywater reuse,
  - on-site rainwater collection, and
  - small-scale sewage treatment systems;

• **best practice water management standards in the Building and Plumbing Codes of Australia developed in collaboration with the Australian Building Codes Board and the National Plumbing Regulators Forum.**

**RESPONSE:**
The Australian Government supports some of the elements of this recommendation as outlined below.

• **Model planning codes that incorporate water sensitive urban design principles, supported by multidisciplinary training:**

Planning codes are the responsibility of state and territory governments. However, governments are seeking to facilitate the uptake of water sensitive urban design through a number of actions agreed by signatory governments to the National Water Initiative (NWI), including:

• developing national health and environmental guidelines for priority elements of water sensitive urban designs (initially recycled water and stormwater) by 2005;

• developing national guidelines for evaluating options for water sensitive urban developments, both in new urban sub-divisions and high rise buildings by 2006;

• evaluating existing ‘icon water sensitive urban developments’ to identify gaps in knowledge and lessons for future strategically located developments by 2005;

• reviewing the institutional and regulatory models for achieving integrated urban water cycle planning and management, followed by preparation of best practice guidelines by 2006; and

• reviewing incentives to stimulate innovation by 2006 (clause 92 of the NWI).

In addition, the Australian Government Water Fund can provide funding assistance to develop water efficient housing design if proposals meet the relevant criteria.

• **National water efficiency standards and rating schemes for appliances and building systems:**

The Australian Government supports and is implementing national water efficiency standards and rating schemes for appliances and building systems. Key features of the Sustainable Cities programme include the national Water Efficiency Labelling and Standards (WELS) scheme which
includes mandatory labelling and minimum performance standards for agreed appliances and a green buildings programme that includes the National Australian Built environment Ratings System (NABERS) that will ensure that future building projects are more environmentally-friendly. NABERS enables building owners, users and tenants to rate the environmental performance of existing commercial office and residential buildings across a suite of key environmental impact areas including water use, stormwater runoff and pollution, and sewage outfall volume.

- **Best practice guidelines in:**
  - the design of stormwater infrastructure and management,
  - urban forms that minimise impervious areas,
  - greywater reuse,
  - on-site rainwater collection, and
  - small-scale sewage treatment systems:

With regard to best practice guidelines, in July 2003, the Local Government and Planning Ministers’ Council (LGPMC) agreed to work in partnership with the Natural Resource Management Ministerial Council and the National Environmental Protection and Heritage Council on the issues of water recycling and water sensitive urban design. This work includes working on the National Guidelines For Water Recycling – Managing Health and Environmental Risks and will assist in meeting commitments under clause 92 of the NWI.

The Institution of Engineers has released the draft Australian Runoff Quality (ARQ), which is a design guideline that provides an overview of current best practice in the management of urban stormwater in Australia. It contains:

- Procedures for the estimation of a range of urban stormwater contaminants;
- Design guidelines for commonly applied stormwater quantity and quality management practices;
- Procedures for the estimation of the performance of these practices; and
- Advice with respect to the development/consideration of integrated urban water cycle management practices.

The Urban Stormwater Best Practice Environmental Management Guidelines (BPEMG), published by CSIRO in 1999, supports the implementation of best practice by all key stakeholders in this field. EPA Victoria, Melbourne Water, the Municipal Association of Victoria, local government, industry and the Victorian Department of Natural Resources and Environment developed the Guidelines.

The enHealth Council has revised the monograph “Guidance on the use of Rainwater Tanks” which was initially recently by the precursor group, the National Environmental Health Forum.

To date there are no national best practice guidelines for small-scale sewage treatment systems, however each State and Territory have their own requirements for these systems.

- **Best practice water management standards in the Building and Plumbing Codes of Australia developed in collaboration with the Australian Building Codes Board and the National Plumbing Regulators Forum.

In consultation with industry and a range of stakeholders (including the Australian Building Codes Board and Standards Australia), the Australian Government recently commenced a multi-year project to assess the feasibility of, and scope for, incorporating sustainability considerations into national building codes and standards. While the project is only in the preliminary stages, it is anticipated that sustainable water management issues may be investigated.

**Specific Recommendation 5:**
Better monitoring, reporting and data

The National Water Partnership Framework include measures to achieve better monitoring, reporting and data access, including:

- monitoring systems to gauge the effectiveness of urban water management strategies and, in particular, the impacts on receiving waters;
• nationally consistent reporting mechanisms on water management; and
• a regularly updated, spatially based information system on water consumption, sewage and drainage production.

RESPONSE:
The Australian Government agrees with the need for robust monitoring, reporting and accounting of water use and is implementing this recommendation. This information is essential to refine hydrologic models, improve water resource management and provide up to date information on access and consumption of water.

The objectives of the National Water Initiative (NWI) include, among other things, water accounting which is able to meet the information needs of different water systems in respect to planning, monitoring, trading, environmental management and on-farm management. Under the NWI, jurisdictions have agreed to water resource accounting with the outcome of ensuring that adequate measurement, monitoring and reporting systems are in place to support public and investor confidence in the amount of water being traded, extracted for consumptive use and managed for environmental and other public benefit outcomes (clauses 23 and 80 of the NWI).

Specific actions under the NWI include:
• benchmarking jurisdictional water accounting systems on a national scale;
• developing and implementing:
  • accounting system standards;
  • standardized reporting formats; and
  • water resource accounts that can be reconciled annually and aggregate to produce a national water balance; and
• developing and applying principles for environmental water accounting;
• improving the coordination of and developing partnerships in data collection and management systems to facilitate better information sharing;
• identifying best practice in data management systems for broad adoption;
• undertaking metering on a consistent basis in particular circumstances; and
• developing a national meter specification, national meter standards and national standards for ancillary data collection systems associated with meters (clauses 81-88 of the NWI).

With regard to reporting, parties to the NWI have agreed to develop and apply national guidelines covering the application, scale, detail and frequency for open reporting (clause 89 of the NWI). Parties have also agreed to improve the coordination of data collection and management systems (clause 86 of the NWI).

• The Raising National Water Standards programme of the Australian Government Water Fund will provide $200 million over 6 years to lift Australia’s national capacity to measure, monitor and manage water resources. Funding under the programme will provide support for, among other things, improved water accounting through a nationally consistent system for collecting and processing water-related data to create confidence in decisions by investors in the water market and the water industry more broadly, and to improve the setting of sustainable flow levels in rivers.

The Australian Government also has a number of other initiatives with regard to water-related monitoring and reporting.

The National Land and Water Resources Audit has developed the Australian Natural Resources Atlas and the Australian Natural Resources Library to provide free access over the Internet to natural resources information. These arrangements provide access to integrated environmental, natural resource, social and economic information including water availability, sustainability of use and environmental flows, infrastructure and development, groundwater sustainability, availability, demand and allocation, and groundwater quality.

The Australian Bureau of Statistics (ABS) released the Water Account for 2000-01 in May 2004. The Water Account presents information on the supply and use of water in the Australian economy compiled in accordance with the System
of Integrated Environmental and Economic Accounting (SEEA). The information is presented by industry, state and territory, and source of water used. The Water Account also provides information on water stocks, environmental flows and water trading and highlights some issues relating to consistency of data sources. The next water account is planned in respect of 2004-05 and a number of additions to the account have been proposed.

The ABS has a draft Water Information Development Plan that examines the supply and use of water data. The plan outlines major data sources and assess these against information needs with the aim of identifying duplication of efforts, data gaps, data deficiencies and ways these issues can be addressed. The ABS has also established the Water Statistics Users Group, with representatives from all Australia, State and Territory Governments as well as industry representatives and scientific experts. This group advises the ABS on water issues.


Specific Recommendation 6:
The Commonwealth examine legislative and regulatory opportunities for reporting on water consumption.

RESPONSE:
The Australian Government supports reporting on water consumption.

Parties to the National Water Initiative (NWI) have agreed to develop and apply national guidelines by 2007 covering the application, scale, detail and frequency for open reporting with regard to water accounts. The guidelines are to address:

- metered water use and associated compliance and enforcement actions;
- trade outcomes;
- environmental water releases and management actions; and
- availability of water access entitlements against the rules for availability and use (clause 89 of the NWI).

Parties to the NWI have also agreed to develop national guidelines for metropolitan customers’ water accounts that provide information on their water use relative to equivalent households in the community (clause 66 of the NWI).

Specific Recommendation 7:
Funding and financing better water management

The Commonwealth, in conjunction with the States and Territories and the private sector, consider funding mechanisms for a comprehensive research effort to include:

- Integrated Urban Water Management;
- reuse of stormwater and wastewater;
- water quality issues;
- a national water reuse research program, covering:
  - socio-economics of reuse, (for example, factors affecting public confidence in products grown with reclaimed water, and methods to appropriately account for externalities in investment decisions);
  - innovative technologies for reuse (in collaboration with private sector investors, to reduce costs of treatment of reclaimed waters);
  - environmental fate of constituents (viruses, endocrine disruptors, organic chemicals, nutrients, salt and their re-entry into the human food chain or human exposure, or ecosystems), and
  - human health risk assessment (toxicology and endocrinology studies and application of risk based methods);
- groundwater management;
- catchment management;
- small scale treatment technologies;
- low energy sludge dewatering;
- leak detection;
- low cost salinity removal;
- small scale water treatment and recycling plants for use in domestic, commercial and industrial processes; and
- water-independent housing.

**RESPONSE:**
The Australian Government agrees with the intent of this recommendation and already makes substantial investments in water-related research.

The National Water Initiative (NWI) recognises that significant knowledge and capacity building is needed to support its ongoing implementation. The NWI also recognises that there is significant national investment in knowledge and capacity building in water, including through the Cooperative Research programme, CSIRO Water Flagship and Land and Water Australia, state agencies, local government and higher education institutions. Scientific, technical and social aspects of water management are multi-disciplinary and extend beyond the capacity of any single research institution (clauses 98 and 99 of the NWI).

Under the NWI, signatory governments have agreed to:
- identify the key knowledge and capacity building priorities needed to support ongoing implementation of the NWI; and
- identify and implement proposals to more effectively coordinate the national water knowledge effort.

(Clause 101 of the NWI).

The Raising National Water Standards programme of the Australian Government Water Fund will invest in lifting Australia’s national capacity to measure, monitor and manage its water resources. Under the Raising National Water Standards programme, $200 million will be invested over six years.

The National Land and Water Resources Audit, new International Centre of Excellence in Water Resource Management, Australian Water Conservation and Reuse Research Program and Oz AQUAREC programme are further examples of the Australian Government’s commitment to water-related research.

Specific Recommendation 8:
Consideration of pricing and financing for better water use and management
- water-independent housing.
- an examination of the water utility dividends paid to government;
- an examination of urban water pricing to develop full cost recovery water pricing mechanisms;
- an examination of the effectiveness of current Commonwealth grants programs related to urban water management; and
- consideration of funding options to implement the policy objectives, including environmental levies, resource ‘royalties’ or general revenue.

**RESPONSE**
The Australian Government supports this recommendation.

A key element of the National Water Initiative (NWI) is best practice water pricing and institutional arrangements that:
- promote economically efficient and sustainable use of water resources, water infrastructure assets and government resources devoted to the management of water;
- ensure sufficient revenue streams to allow efficient delivery of the required services;
- facilitate the efficient functioning of water markets, including inter-jurisdictional water markets, and in both rural and urban settings;
- give effect to the principles of user-pays and achieve pricing transparency in respect of water storage and delivery in irrigation systems and cost recovery for water planning and management;
- avoid perverse or unintended pricing outcomes; and
- provide appropriate mechanisms for the release of unallocated water

(clause 64 of the NWI).

In addition, the Australian Government Water Fund will provide funding to assist with better water use and management. Investment under the Australian Government Water Fund will be made
on the basis that it is consistent with, and helps to achieve, the principles, outcomes and actions of the NWI.

- **Water-independent housing:**
  Some local councils and water authorities provide subsidies or incentives to assist with water independent housing. This is best provided on a local scale, as water independent housing may not be viable in all circumstances due to factors such as high costs or local rainfall conditions.

  Water independent housing may be eligible for funding under the Water Smart Australia or Community Water Grants programmes of the Australian Government Water Fund if it meets the relevant criteria.

- **An examination of the water utility dividends paid to government:**
  With regard to examining the water utility dividends paid to government, under the NWI, jurisdictions have agreed to use independent bodies to set or review prices, or price setting processes, for water storage and delivery by government water service providers, on a case-by-case basis and to publicly review and report on pricing in government and private water service providers (clause 77 of the NWI).

- **An examination of urban water pricing to develop full cost recovery water pricing mechanisms:**
  The NWI also includes pricing policies based on full cost recovery for water services to ensure business viability and avoid monopoly rents, including recovery of environmental externalities, where feasible and practical. In particular, in metropolitan areas, parties to the NWI have agreed to continued movement towards upper bound pricing (clauses 65 and 66 of the NWI).

- **An examination of the effectiveness of current Commonwealth grants programs related to urban water management:**
  The Australian Government Water Fund has the potential to invest in projects related to urban water management. Consistent with Government policy the effectiveness of these projects will be examined at the appropriate time.

- **Consideration of funding options to implement the policy objectives, including environmental levies, resource ‘royalties’ or general revenue:**
  With regard to funding options to implement policy objectives, investment under the Australian Government Water Fund will be made on the basis that it is consistent with, and helps to achieve, the principles, outcomes and actions of the NWI.

**Specific Recommendation 9:**

**Leading by example**

The Commonwealth develop a strategy for progressively upgrading all Commonwealth buildings for high standards of water efficiency.

**RESPONSE**

The Australian Government is addressing the water efficiency of government buildings (including tenancies) and government operations in general as an aspect of the Greening of Government Programme. Some specific actions related to government water use as part of this programme include the:

- Energy Data Gathering and Reporting (EDGAR) system currently used for agency energy reporting is being altered to allow agencies to report on their water consumption.

- development, in 2005, of a set of National Water Intensity Benchmarks for office buildings and public buildings. These benchmarks will identify average; good and best practice water intensity for these building types in Australia. The large data set that will produce these benchmarks for office buildings comprises a variety of building ages and building user requirements. Agencies will be encouraged to use these benchmarks when commissioning new or refurbished space, and during the operational phase of a building’s life-cycle.

- release, also in 2005, of an Ecologically Sustainable Development (ESD) Design Guide for Australian Government buildings. This guide will address issues of water efficiency, reuse and source substitution.
Specific Recommendation 10:
The Joint House Department be funded to change all toilet cisterns in Parliament House to dual flush and to fit water efficient shower roses.

RESPONSE
The Department of Parliamentary Services (DPS) is now the agency responsible for managing the Parliament House building, its plant, equipment and services, and the surrounding landscaped areas on behalf of the Parliament.

Toilet and shower facilities will be progressively upgraded over a number of years as part of the overall program of building facilities works.

DPS has recently upgraded the toilet facilities in the forecourt car park and toilet and shower facilities in the Health and Recreation Centre. These facilities were fitted with waterless urinals, dual flush toilets and AAA rated shower roses.

Senator SIEWERT (Western Australia)
(3.37 pm)—by leave—I move:

That the Senate take note of the document.

That report, The value of water: inquiry into Australia’s management of urban water, was in fact tabled in 2002, and that is 4½ years ago. Given Australia’s water crisis, I would have thought that this could have come just a little bit quicker. The report makes a series of recommendations that go to addressing, even five years ago, the pressing problem of Australia’s urban water supply. Of course, since then that problem has only become worse. In general, the government’s response to most recommendations is that they support them and are implementing them, and they present a long list of programs and initiatives. The bottom line is that these programs have been implemented for a while and we are still facing a crisis. The real outcome is that we are now facing an urban water crisis and it has been growing for some time. Both the Commonwealth and the state and territory governments have been very slow to act on Australia’s water crisis.

Water conservation in particular has not been on the agenda and needs to be taken much more seriously. The big issue of climate change needs to be taken seriously. That has not been taken seriously, other than in, I note, Western Australia—a topic on which I have spoken in this place before. We recognised in the mid-nineties that our rainfall was dropping. Australia still has some of the highest per capita rates of water use in the world, particularly when we bear in mind that we are the driest inhabited continent. The dams in most capital cities around Australia are now at less than 50 per cent capacity, other than in Hobart. This makes it an extremely pressing issue.

Recommendation B in the report is that:
A national approach is taken to overcome jurisdictional barriers to better practice.

Contrast that to what is happening. When we look at the PM’s water plan announced in January we can see that there was no consultation with the states. You would have thought that there would have been consultation since the plan made such dramatic changes—for example, taking the authority over from the states to manage the basin. There are no time lines or targets in the plan. There is still some confusion over what will happen to natural resource management. So we are deeply concerned that there are still ongoing conflicts and that not enough effort is being made to address the barriers.

Recommendation D talks about enhancing environmental awareness of issues relating to water. There is a huge issue here. As I said, the Prime Minister’s plan does not have any new environmental targets and we have not even met the 500-gigalitre target for returning water to the Murray River. Scientific experts say that we need 3,500 gigalitres at least, but no water has yet been returned to the Murray River through any of the programs. Then we look at the approach that is
still being taken by, unfortunately, both state and Commonwealth governments. The Trav- 
eston dam in Queensland is being promoted by the Queensland government and is op- 
posed by many people in Queensland—including, I might add, the coalition—and yet what we have seen recently released by the Minister for the Environment and Water Resources is a plan that canvasses five op- 
tions for damming rivers in northern New South Wales. So coalition members in 
Queensland do not want a dam in Queen- 
sland but seem quite happy to support dams in northern New South Wales. The point is 
that we are still going for the big megadam approach to dealing with our water supply 
when science and the climate are indicating to us that we need a less rainfall-dependent 
source of water. We need to think outside the box and start thinking about water conserva- 
tion and water efficiency. Until we start do- 
ing that, we will unfortunately continue to 

have problems.

When we look at the Prime Minister’s wa- 
ter plan and the need to deal with the envi- 
rionment, what did we unfortunately see in 
the budget this week? We saw that $3 billion 
of the $10 billion water plan that has been 
allocated to address water overallocation and 
and the buy-back of licences will not start until 
2009. We have not actually achieved the return of any water to the river and yet we are 
putting off buying back licences until 2009. Where is the sense in that? Where is the sense of urgency that is needed to actually 
start addressing the overallocation in the 
Murray and the fact that the wetlands of the 
Murray are dying? Not only are they dying; they are being drained because we have not 
looked after the environment adequately in the past.

Then we look at recycling. Unfortunately, leadership in that debate has been sadly lack- 
ing. Last year we saw the farce of the refer- 
endum in Toowoomba that was not driven by 
a need to address the water supply. It was not 
driven by real facts; it became a political bunfight. The facts were ignored. What is 
left is that Toowoomba does not have a satis- 
factory outcome for how it will manage its 
water into the future. So there are still major 
issues around water supply and water for 
urban areas.

Then we look at the Water Smart program, 
which is one of the programs that the gov- 
ernment has put in place to start addressing 
the water crisis. We find that we have under- 
spent $276 million in our water plan.

Senator Scullion—There are a whole lot 
of applications in the pipeline.

Senator SIEWERT—It is a very long 
pipeline—that is all I can say.

The PRESIDENT—Senator Siewert, ig- 
nore the interjections.

Senator SIEWERT—Recommendation E 
talks about water pricing better reflecting 
environmental costs. Note: the government 
response does not say, ‘The government sup- 
port and are implementing this recommenda-

tion.’ It will be interesting to see what in fact 
the government’s response is to that recom-
mendation. The fact is the price of water in 
this country does not reflect the externalities. 
It does not reflect our environmental cost, 
and we continue to be far too profligate with 
it.

The next recommendation, F, talks about encouraging lower use, yet Perth and Bris- 
bane continue to use far too much water. 
Brisbane, in particular, stands out in terms of 
its overuse; it uses more water than Perth, 
Melbourne or Sydney. A lot more has to be 
done to encourage water conservation. 
Again, I repeat: that is a much better option 
than going for the big dam option, which, 
with a drying climate, will become less ef-

fective in any case, even if you ignored the 
environmental consequences of those major 
dams.
There were a lot of good ideas presented in these recommendations in 2002 and, as I said, that was nearly 4½ years ago. It is a pity that the government has been so slow to respond to this report. It needs to start having another look at some of these initiatives and how we can address the water crisis in this country. While we continue to go with the megadam proposals, the big dam proposals and the end of pipeline proposals, we are not going to be adequately addressing Australia’s water crisis. Water conservation, water efficiency, has to be the way to go and looking outside the box in terms of more innovative responses, such as incorporating water tanks, urban design, house design—those sorts of issues. We need a combination of incentives and, I believe, regulation to ensure that there are standards set for building use, home use and commercial use. We need to be incorporating recycling and water re-use. There are a range of initiatives we should be looking at, and we are not being aggressive enough in approaching alternative ways of addressing our water crisis.

Question agreed to.

**REPRESENTATION OF QUEENSLAND AND SOUTH AUSTRALIA**

The **DEPUTY PRESIDENT** (3.47 pm)—On behalf of the President, I table the original certificates of the choice by the Parliament of Queensland of Suzanne Kay Boyce and the Parliament of South Australia of Simon John Birmingham to fill vacancies in the representation of those states.

**BUDGET 2007-08**

**Senator SHERRY** (Tasmania) (3.47 pm)—I move:

That the Senate notes the 2007-08 Budget:

(a) fails to:

(i) tackle Australia’s poor productivity performance,

(ii) meet the challenges of climate change,

(iii) deliver practical solutions to the water crisis, and

(v) ensure long-term investment in broadband infrastructure; and

(b) focuses on a short-term election fix rather than long-term nation building.

The matter under consideration for debate in general business is the 2007-08 budget. Firstly, a general comment about the budget, its presentation and contents is that it is a very clever and cunning election-year budget. Firstly, a general comment about the budget, its presentation and contents is that it is a very clever and cunning election-year budget. I do not think Labor have any doubts about that. We have seen significant attention to many groups of people, albeit late and in limited circumstances in some cases—and I will deal with that in a little more detail—and as such it represents a clever, cunning election budget. We are six months out from the election. Many of the groups are battlers in our society who have been doing it tough and for the first time they have received some significant assistance—and Labor welcome that. In the area of tax cuts and one-off payments in the 2007 budget, we welcome the assistance because many Australian families and carers are under financial pressure. They have been doing it tough.

Firstly, I wish to make a couple of points about the one-off, lump sum payments that have been included in the budget just six months out from the election. Labor welcomes the payment of $500 to senior Australians on a senior concession card, but it is a one-off payment. That $500 is great assistance, for example, to a person on a full age pension—I think the current single full age pension is about $13,700 a year—being delivered just six months out from an election. It is great for those individuals who are doing it tough, and many are battlers in my home state on the north-west coast of Tasmania, where there are many elderly people in the community. What happens next year? There is no election next year. They get the $500 this year, which is welcome assistance.
With fuel prices, rates if you own your own home and food prices they have been doing it tough. But what happens next year?

The superannuation measure, up to $1,500—we just passed the legislation through the chamber in the luncheon break and Labor supported it—is a cost of just over $1 billion delivered retrospectively for this group of lower middle-income earners. Again, that is fine; it boosts the savings on a one-off basis for that group of people. But in terms of designing long-term effective policy I think the Assistant Treasurer, Mr Dutton, whom I give credit to, got it right when he argued publicly some weeks ago that the scheme required a fundamental redesign of its features in order to encourage future savings, particularly amongst the group of people under 45.

Labor are a responsible alternative government, and we give credit to the government where it is due. I want to acknowledge the public comments of Mr Dutton, the Assistant Treasurer, because he was right: the scheme needed re-examination in its fundamental details. Clearly, he could not convince the Prime Minister and Treasurer, who were so anxious for that dash to the election—the clever, smart, short-term political fix: ‘We’ve got to pay attention to various groups because we’ve ignored them in many cases.’ It was very cunning. We are so used to it. We admire the cleverness of the Prime Minister and Treasurer, who were so anxious for that dash to the election—the clever, smart, short-term political fix: ‘We’ve got to pay attention to various groups because we’ve ignored them in many cases.’ It was very cunning. We are so used to it. We admire the cleverness of the Prime Minister, in particular in this regard: ‘The election’s coming up—got to readjust policy in major areas and spend significant amounts of money for those people that we’ve ignored in the past.’ So we admire the cleverness. But, unfortunately, the Assistant Treasurer, who so perceptively made those observations a few weeks ago, was overruled by the Prime Minister and the Treasurer.

I think that exemplifies that the budget fails the future test. The budget does very little to build Australia’s future productivity. Instead, it relies on the continuation of the mining boom for our future economic prosperity. The current mining boom has injected some $55 billion into our economy over the last year and over the last five years it has injected more than $300 billion into the budget. This massive injection of cash is masking the fact that Australia’s productivity growth is so low. I had a significant exchange with Senator Minchin; we debated this issue of productivity yesterday in the Senate.

Senator McGauran interjecting—

Senator SHERRY—Senator McGauran is back as deputy whip, this time for the Liberal Party. He used to be here for the National Party. I cannot resist saying that Senator McGauran made the right decision: he switched—because he realised just how futile it was representing the National Party. They are really the doormats of the coalition. Again, the budget has reflected that. Sadly, the poor old National Party can do very little for the bush and regional Australia. Senator McGauran is certainly very perceptive; I congratulate him on the jump he has made.

Some measures in the budget reflect the national policy agenda that Labor have been setting and which has been outlined by our leader, Kevin Rudd. The 2007 federal budget fails to address long-term challenges for Australia’s future, including the urgent need to revive our flagging productivity, investment in an education revolution, delivering a national high-speed broadband network and decisive action to deal with the economic cost of climate change and the national water crisis.

As I indicated, we have had some debate about productivity. The future test is important because Australia does need an education revolution to boost productivity. That is the key to our economic prosperity. The edu-
cation revolution must not only address the Liberal government’s failure to invest in universities; it must also deal with the government’s continuing failure to invest in early childhood education, school education and vocational education and training. Even after this budget, national investment in education will have declined from two per cent of gross domestic product in 1995-96 to 1.6 per cent of gross domestic product in 2007-08. Far from lifting productivity, the 2007 federal budget papers indicate that Australia’s productivity growth will decline from the end of the next financial year.

Very briefly we had an exchange with Senator Minchin. He clearly had not read the budget papers yesterday. He clearly could not find the productivity figures. They are there. You have to calculate them, so perhaps the Treasurer’s attempts not to publish a line of productivity figures threw Senator Minchin, the Minister for Finance and Administration, for a moment. If you look at the economic parameters, it is possible to work out productivity figures. I know Treasury listen into these debates; perhaps in the next budget they will consider actually publishing the calculations. Productivity is one of the keys to maintaining economic growth, prosperity and wealth creation in this country. If we look at the figures in last year’s budget papers, productivity was forecast to increase by about 2½ per cent. What has been delivered in 2006-07? Zero—a big fat zero in terms of productivity for this current financial year.

Senator McGauran—What figures are you relying on?

Senator SHERRY—I am referring to page 1-5 of Budget Paper No. 1, Senator McGauran. Go and read it. In 2007-08, there is 2.25 per cent for productivity and then, after 2007-08, there is a decline which sees productivity flatline back down to 1.75 per cent over the next three years. Now, I am not going to focus on Work Choices today but, if the argument is that Work Choices is going to lift productivity, why don’t the Treasury budget papers reflect the lift in productivity that they argue will flow from Work Choices? That is another debate for another time, but it is interesting that the Treasury papers do not reflect the lift in productivity that is claimed by the government.

The budget fails the future test, secondly, because it does nothing practical to build a high-speed broadband network. Again, my colleague Senator Conroy and our leader, Mr Rudd, have outlined what Labor intends to do in this area. A high-speed national broadband network is essential to increasing productivity, particularly for small business and for rural and regional Australia, Senator McGauran. What has the National Party done about this issue?

Senator McGauran—Don’t ask me.

Senator SHERRY—I am not asking you; I am just making the point. You are a Liberal senator now; you have deserted the National Party. We all know why. Your interjection indicates why you had to leave the National Party—because they are totally useless. They are just the doormats; they are a convenience for the Liberal Party, and you have got with the strength in that regard at least!

I want to turn to climate change and water. A third core reason this budget fails the future test is that it does not fund any new large-scale practical measures to effectively deal with the economic cost of climate change and the national water crisis. In addition to the Liberal government’s failure to act on a national emissions trading scheme, the 2007 budget does nothing to boost the mandatory renewable energy target or to introduce a comprehensive national strategy to reduce electricity demand. Furthermore, despite dam levels being at record lows across
Australia, the 2007 federal budget fails to establish any significant new initiatives on urban, town and city water security in partnership with state, territory and local governments. There can be nothing more fundamental to the security of Australia than our water supply. Our very survival as the human species is threatened without the existence of regular, reliable, safe, clean water. So the budget represents, unfortunately, another squandered opportunity to use this once in a generation $300 billion mining boom to secure Australia’s long-term economic prosperity.

Let me go into some detail on the tax cuts and the childcare benefits, which Labor welcomes. But they do give back less than many in the community might think and certainly less than is claimed by the Treasurer and the Prime Minister. We welcome the tax cuts and the childcare increases in Tuesday’s budget. The tax cuts introduce some welcome reforms—that Labor has previously called for—by starting to tackle the worst disincentives for workforce participation. That is welcome, as I have said, especially since, as the budget papers show, participation rates in Australia are well below those in Canada, Denmark, Norway, Switzerland, Sweden and the United States.

Labor welcomes the fact that the tax cuts are in two tranches. This is needed to minimise the risk of inflationary pressures. These tax cuts will help working families cope with the pressures on the family budget, particularly after those four interest rate rises we have had since the last election that we were promised in the run-up to the last election would never happen. Senator McGauran is nodding. He well remembers the promise made by the Prime Minister and the Treasurer that interest rates would always remain lower under a Liberal government, and we have had four increases.

Senator McGauran interjecting—

Senator Bernardi interjecting—

Senator SHERRY—Senator Bernardi may not remember, but Senator McGauran would. I am a student of history and I can remember the interest rates when Mr Howard was last Treasurer of this country. They peaked at 21.7 per cent, Senator Bernardi, when Mr Howard was Treasurer. If you want to reflect on history after 11 long years of a Liberal government, I can remember the budget deficit that the current Prime Minister, Mr Howard, left us in 1983 when he was Treasurer—a $10 billion budget deficit, and in today’s dollar values about $20 billion. But let us deal with the issues of today and of the last 11 years and let the Australian people make their judgement at the next election.

However, I come back to the tax cuts, which I was talking about before I was so rudely interrupted by Senator McGauran yet again. He can never resist. Shifting from the National Party to the Liberal Party certainly has not silenced him. Let us look at the tax cuts for low- and middle-income earners. They are very welcome. Those people have been largely ignored in the last few budgets, but six months out from the election it is clever politics for the government to try to provide assistance to the battlers. But the cuts do not hand back all the additional tax that the Liberal government has been collecting as a consequence of the mining boom.

Despite these tax cuts, the Liberal government will still collect $10 billion more in income tax, excluding company tax, from 2007-08 to 2009-10 than was originally anticipated before the budget was handed down. The Liberal government are providing some tax relief to low- and middle-income families, and it is about time. It is good that they are doing that. They have finally decided to do it six months out from an elec-
tion. But the income tax collection is still going up.

The childcare measures are welcome, but the announcement of a bringing forward of the childcare tax rebate simply delivers on Treasurer Costello’s original promise in 2004 to pay the rebate immediately after the financial year in which childcare expenses are incurred. It does not take a long memory to recall the very mean and tricky approach of the Treasurer on this one. Just before the election in 2004, when that promise was made, Australians were given the clear impression that that childcare tax rebate would be delivered almost immediately. And what happened? They had to wait 18 months. So, really, the Treasurer is just doing what he promised to do in 2004, and I hope Australians remember this—another tricky, clever approach six months out from an election.

Labor supports the decision to pay the rebate through Centrelink to ensure that low-income families accessing the childcare benefit receive this assistance. The Treasurer should be more honest with families accessing the rebate about the number likely to receive a payment of $8,000. From some of the headlines, the impression is that everyone is going to receive $8,000—far from it. Given that the average rebate is only $813, few families are likely to receive payments of the order that the government has been claiming. Certainly most families are not going to receive anywhere near $8,000. The one-off 10 per cent increase in childcare benefit will be welcome news for parents who have faced annual increases in childcare fees over the last four years of greater than 12 per cent. So, yes, the relief is welcome and it comes to about 10 per cent, but their bills have actually gone up by 12 per cent.

It is disappointing that the Liberal government has failed to match Labor’s commitment of $450 million for a universal year of preschool for all four-year-olds and its promise of up to $200 million for 260 new childcare centres on school sites. These measures would increase the supply of childcare places and put downward pressure on childcare fees.

As I mentioned earlier, the budget has failed a key component of the future test by not funding any new large-scale practical measures to effectively deal with the economic cost of climate change and the national water crisis. The Minister for the Environment and Water Resources, Mr Turnbull, said last week that climate change is ‘the greatest economic challenge our national faces’, yet the climate change and the water sections of this budget seem to have been written by the government’s climate change sceptics. Total proposed expenditure on climate change over the next four years is less than 0.1 per cent of gross domestic product, and it actually declines over the budget’s forecast period. We know from the last Treasury estimates that Treasury were not even asked—although I think they were willing—to do any economic modelling in this fundamentally economically important area so critical to the future of this country.

Senator McGauran—Of your 60 per cent?

Senator SHERRY—I normally do take Senator McGauran’s interjections because I can usually understand them, but I fail to understand what that interjection relates to.

Senator McGauran interjecting—

Senator SHERRY—You obviously have not read the budget either, Senator McGauran. You are now a member of the Liberal Party so you go back and read the budget. So, critically, the budget contains no significant measures to substantially cut Australia’s greenhouse gas emissions.

In conclusion, the overall description of the budget is that it is a clever political
document. It has significant commitments and promises, particularly lump sums and tax changes, to groups in the community that have been ignored for a significant period of time and are deserving of assistance. It is a clever, cunning election budget. As we have seen time after time from the Prime Minister, Mr Howard, six months out from the election, opportunistically, if there is a political problem, you develop a clever, cunning set of packages and bring them in just before the election. (Time expired)

Senator BERNARDI (South Australia) (4.07 pm)—It is always a pleasure to follow Senator Sherry. I have said it before and I will say it again. I will not go as far as saying that I admire Senator Sherry, but I respect his tenacity and his loyalty. He really has to sell a very difficult message. Labor’s message is that the Howard coalition government has not done a good job with the Australian economy. Labor’s message is one that is determined to switch out the lights on the Australian economy, wind back the clock and see Australia once again controlled by an extreme union movement. I respect Senator Sherry’s loyalty to the union movement, but my commiserations go to him. They have to be extended because he has the unenviable task of talking in this chamber about the track record of this government. It is unenviable for a Labor person; it is very easy for us to stand here as coalition senators and pay homage and tribute to the wonderful economic management of not only Mr Howard but also Mr Costello and our leadership team.

I note that Senator Sherry is a former official of the liquor and allied industries union. It is fair to say that his glass is certainly half empty rather than half full. Still, having something in the glass is a little bit better than looking at the empty vessel that is Labor’s policy-free zone. Their policy-free zone is as empty as our Future Fund would be if Labor were ever in power. Labor have already telegraphed their punch. Their punch is to launch a smash-and-grab raid on the financial security generated by the Future Fund. Most likely, in true Labor fashion, they will come back to the scene of the crime again and again, and they will shuffle more of the money that has been preserved for the future economic management of this country out of the back door. They will make sure that every single public servant in this country will have their superannuation payments brought into question. This is a question that Labor need to answer: when is enough enough when it comes to smash-and-grab raids?

Already they have told the Australian public that they are going to mount a smash-and-grab raid to fund a hastily cobbled together broadband policy and they are prepared to damage Australia’s fiscal solvency in order to do it. I look at the dazed faces of the senators opposite and I have to tell you just how they are affecting the future of Australia’s financial security. It is pretty simple. Mr Murray, who is in control of the Future Fund, has $52 billion that he needs to invest for the long term. Can Mr Murray realistically invest that money for the long-term benefit of Australia, not knowing if a Labor government is going to cook up a policy and say, ‘We need $5 billion today and we need you to sell a bit of this; we need you to do this’? You are undermining the long-term strategic investment in Australia’s financial future as determined by the Future Fund.

It is not enough that you are undermining it now. A significant portion of that $52 billion was generated through the sale of Telstra—a policy that we have carried through many elections and that the Australian public have supported because they have supported this government. Had we been allowed to sell Telstra when we wanted to without the confected outrage of the senators opposite,
Australia would be $50 billion better off. It was a $50 billion piece of confected outrage by the senators on the other side of the chamber. It was not enough that they tried to privatise Australia’s industries. It was not enough for them to sell off public assets. It all changed when they got into power. It is a policy backflip of immense proportions. The $50 billion that you guys cost us in 11 years of negativity is a long-term threat to the Australian economy if you ever get control of the Treasury benches.

You can just imagine, can’t you, Mr Acting Deputy President Barnett, Mr Murray getting a phone call from Mr Rudd, who says: ‘I’ve come up with an idea. I need $10 billion. What can we do?’ ‘I’ll call my brokers right away—let’s just sell $10 billion of Australian assets,’ to fund some non-strategic, unfunded and unaccountable policy resolution. That is the empty vessel that is Labor policy. It is a threat and it is very damaging to Australia’s financial future.

When Senator Sherry talks about a short-term election fix rather than long-term nation-building, he is giving away a few words directly out of the Labor playbook. This is how they want to win elections—with no vision for the future, just a short-term election fix. I have to tell you that it is a pretty flimsy playbook. Even my son’s under-eight footy team could not use any of the strategic advice in the Labor Party’s playbook because it is that thin and in fact it is basically vacant.

Labor’s Future Fund raid and their ill-conceived broadband policy have been exposed as so light on detail that they are even more of a joke—if that is possible—than their IR policy. Labor’s policy on broadband is uncosted, unworkable, untested and, quite frankly, undeliverable. More importantly, their $4.7 billion threat to the future of Australia’s public servants and to the Australian economy is unnecessary. Telstra and the G9 are both prepared to roll out a fibre broadband network in the capital cities and in the major regional cities without any cost to the taxpayer. That is right: Labor want to spend $4.7 billion and threaten Australia’s future financial prosperity when industry is prepared to do it at no cost to the taxpayer. Gee, there is a tough call: which one shall we have? I know what the Australian taxpayers would prefer; they would prefer to see their taxes used in providing superior services and quality assurances as guaranteed by this government.

Senator Sherry did not only attack our policy of protecting Australia’s long-term financial interests; he raised the subject of water. What an extraordinary thing to raise—water security—after a complete dereliction of their responsibilities by—guess who—the state Labor governments. The state Labor governments have been derelict. They are awash with cash, and what do they spend it on? They spend it on hiring more public servants, to the detriment of service delivery. They cannot sustain any fiscal management or solvency. They have inherited states with little or no debt. They have provided little or no infrastructure and little or no service delivery improvement. But what did they give us? They gave us more borrowings. If you want evidence of how fiscally inept and irresponsible Labor are with taxpayer funds, have a look at every single state Labor government. They are cut from the same cloth, and it is a pretty grubby one, I have to tell you.

Where Labor fail at every single level, the Howard government come to the rescue. And they are saving the Australian public billions of dollars in previously squandered taxpayer resources. They are saving the Australian public from the fiscal irresponsibility of a Labor administration. The 2007 federal budget was a great piece of policy. It delivers on water. It delivers historic reforms in water
policy on top of and to complement the previous announcement of $10 billion over 10 years to ensure the integrity and longevity of the Murray-Darling river system. This year’s budget supports a bold new approach to sustainable water management across the entire continent. We are helping to improve water efficiency. We are addressing water overallocation in rural Australia. Where is that water overallocation coming from? Let me think. Gee, the state Labor governments have overallocated our national water allocation. How can any government responsibly allocate 140 per cent of their quota to irrigators? It is unsustainable—just like every single one of Labor’s policies. And the damage is now coming to the fore.

They were unable to agree even amongst themselves. They must have all been from different factions in the Labor Party and been having a brawl in which they could not mount the numbers against each other. But when they get together, they fail—again and again—and it is a failure that is costing this country. But the Howard government are stepping in. We are revolutionising irrigation methods by reducing loss of water through leakage. We are reducing the loss of water through evaporation and we are phasing out outmoded irrigation methods. This will protect the interests of farmers and irrigators in the relevant regions. We are making river and water storage options much more efficient than they were before. We are going to fix the mess that has been caused by the mismanagement of water and the mess that has been caused by the mismanagement of taxpayer resources. And we are going to fix the mess that has been caused by the mismanagement by Labor governments not only at the federal level under the Hawke and Keating governments—we have already fixed that—but also under the state Labor governments.

This is part of a national plan for not only water security but our commitment to the environment. It is a commitment that includes $741 million in this budget to support reduction in our greenhouse gas emissions and to support the evidence saying that we need to do something about climate change. I have to say that this $741 million is for prudent, practical and realistic measures. It is not some pie in the sky. The incredible thing about the Labor Party on this particular issue is that they have signed on to a 43-year program to deliver emission cuts in 2050. They have plucked that number out of the air—or out of the European Union, actually—and thought, ‘We will just go with our comrades over there and we will do that.’ How are they going to do it? We do not know. How are they going to fund it? We do not know. What measures are they going to introduce? We do not know.

The only thing we know is that Labor’s policy on climate change is another empty vessel. But the unaccountable, irresponsible 43-year program that federal Labor are purporting to bring to the Australian public is not for us. The opposition expect the public to believe that they have a coherent plan for 43 years of greenhouse gas emissions. They have not had one single consistent policy in their 11 years of opposition. They cobble them together for every election and they realise how ill conceived they are and how hasty they have been in making these decisions that are going to be detrimental to the Australian way of life and the Australian economy. They are going to cost jobs for our workers: the hundreds of thousands of workers who have gained jobs under this government and the 326,200 who have gained them in the last year.

There are two million more Australians working today than there were when Labor was in government, and what is Labor’s policy? ‘We are going to cost Australians jobs
by attacking industry, with a policy we are yet to announce—but we know it is going to cost the economy enormously. We are going to return to a ridiculous unfair dismissal regime and empower the unions to walk in and dominate every single marketplace. We are going to put forward an industrial relations policy that shadow cabinet have not even seen.’ They have seen it now, because it is out in the public; but it was created, fashioned and forged by that hard iron man of the ACTU, Greg Combet. I will put this on the record once again: who said, ‘The unions used to control the country and it wouldn’t be a bad thing if they did again’? That is not my quote; I want to make sure Hansard reflects that, because this is what Mr Combet said. As I said yesterday, Mr Combet is so wrong. It would be very damaging for him to run the country again, and yet he cannot wait to get into this place—just in case Bill Shorten gets a head start in the leadership race. That is what it is all about. It is a mad scramble. They are trying to outmanoeuvre each other to get control of the Labor caucus. It is an absolute joke.

The Australian public will not swallow the nonsense that is coming out of the Labor Party on climate change, or industrial relations, or their protection for their future, because the Labor Party have demonstrated at every single turn that they are not capable of delivering. In 11 years they have not had a single consistent policy—not one. Medicare Gold was going to save us at the last election. What happened to that? It was such a fizzer they said, ‘We’ll just promote the architect of that to the 2IC.’ That is the Labor way: ‘Let’s reward incompetence.’ What has Ms Gillard done now? Ms Gillard has fashioned the most dangerous industrial relations policy that we have seen in a very long time in this country.

Senator Sandy Macdonald—Spooky.

Senator BERNARDI—It is a spooky policy. I would describe it as ‘special’—but not in any positive way, because even the very special leadership of Mr Latham was unable to craft such a backward-looking, Dark Ages policy. Then again, I suppose that the Labor Party have learned a lot over the last three years and they have had to reinvent themselves by taking another step back, another decade, into the 1970s, so that they can have confrontation at every single level.

We in the government have demonstrated that we have a vision. We have fixed Labor’s incompetent mess: the $96 billion deficit, the $10 billion black hole, the 17.2 per cent interest rates, and the 21 per cent and 22 per cent interest rates which left farmers in pain. Because of Labor’s maladministration of the economy, thousands of businesses went to the wall. It is an amazing, shameful thing when you see the same faces coming forward and saying, ‘We’ve got it right this time,’ and the policies are exactly the same. It is very sad. The only thing we know about Labor’s plan for the future—and it is a rock-solid guarantee—is that a Labor government would be absolutely controlled by the faceless, anonymous union powerbrokers that are already pulling the strings in Labor’s preselection process and policy development. It is a cartel. It is a racket. Compulsory unionism exists only in the Labor Party. It is an absolute racket and the Australian public deserve to know what they are getting into.

I have to wind up, but I want to say that I heard Senator Sherry talking about productivity gains. I have to say that Senator Sherry has got it wrong. I respect the fact that Senator Sherry has got it wrong. I respect the fact that he has got to carry the torch—and a very difficult torch it is, because there is no oxygen around it. You cannot keep it alight. The fact is: in 2005-06, according to the Australian Bureau of Statistics, productivity in the market sector—measuring output by hours
worked—increase by a solid 2.3 per cent. This is in line with Australia’s long-term average rate. Productivity is measured on a number of cycles over five years, and the last cycle finished a couple of years ago. Our productivity growth is on target, as is our employment growth, as is the growth in our economy. They are all threatened by the Labor Party, and the Labor Party should hang their heads in shame for failing to come up with a coherent policy to the benefit of the Australian public.

Senator MILNE (Tasmania) (4.27 pm)—
I rise today to support the motion moved by Senator Sherry, which states:
That the Senate notes the 2007-08 Budget:
(a) fails to:
(i) tackle Australia’s poor productivity performance,
(ii) meet the challenges of climate change,
(iii) deliver practical solutions to the water crisis, and
(v) ensure long-term investment in broadband infrastructure; and
(b) focuses on a short-term election fix rather than long-term nation building.

I want to focus on a couple of things in particular, but I would like to start with climate change. Before Senator Bernardi leaves the chamber, I want to point out to him that the ‘60 below 1990 by 2050’ is not plucked out of the air and it is not plucked out of the European Union; it is based on the notion that we need to constrain the increase in global temperature to less than two degrees. I note that earlier today Senator Bernardi voted against constraining global temperature to two degrees or below. He obviously thinks that a temperature increase of two degrees is okay. The Prime Minister said, famously, earlier this year that a four- to six-degree temperature rise would be ‘less comfortable for some’. Of course, that means ‘dead’ for many—which I suppose in the Prime Minister’s terms might be less comfortable. We have also heard the Minister for the Environment and Water Resources, Malcolm Turnbull, say that eastern Australia could easily absorb a one-metre sea level rise. Perhaps if he were standing on the cliffs in Sydney he might think that would be the case. But it is a ludicrous assertion when you consider estuaries and wetlands and coastal infrastructure around this country. A one-metre sea level rise would be an utter and absolute disaster. If we had an appropriate budget which looked at the real risks associated with climate change, we would have already done coastal vulnerability mapping in the last 10 years and released it to the public, and they would be able to see for themselves the enormous risk to coastal infrastructure and property. In fact, there would be panic in property prices around the country, which is why I suspect many governments are refusing to do the vulnerability analysis as a result of sea level rise.

I particularly want to talk through the ramifications for a country that has not made a determination about what level of global temperature rise is deemed to be appropriate. The Prime Minister and the Treasurer say that they are waiting for the emissions trading task force. But they are approaching this from the point of view of what they think they can achieve in terms of economic measures; they are not thinking about what they actually have to achieve to get an ecological outcome. All the evidence is now showing that, the earlier you act to reduce global greenhouse gas emissions and the earlier you bring in supportive measures, such as energy efficiency measures and other measures that will advance renewable energy, the better it is for everybody, the less cost and the greater the outcome. The case for late action demonstrates that the cost of leaving it and doing nothing—as is currently the case—will result in the economic cost and the dislocation be-
ing very much higher. So the sooner we act on and have an emissions trading scheme, an increased mandatory renewable energy target, feed-in laws to encourage renewable energy and a national energy efficiency target, the better.

The problem that the government have in suggesting appropriate targets that they have plucked out of the air is that they will have to face the scientists at some point. As we speak, this week in Bonn the SBSTA group are talking about the post-2012 Kyoto period—the second commitment period. The European Union is working on the basis that the world cannot tolerate the idea of global temperatures rising more than two degrees. The economists, however, are only modelling for a two-degree to 2.4-degree rise. So they have a long way to go to catch up with the world scientists. The latest IPCC report says that we have to stabilise greenhouse gas emissions by 2015; yet the project infrastructure that the government talk about in terms of clean coal or nuclear will not be on stream by 2015. The Howard government are leaving Australia extremely vulnerable to much higher costs and greater dislocation by failing to address climate change right now.

The Treasurer talked about the instability in our region and the global shocks which can threaten our economy as being real risks. Yes, they are—and many of those are risks associated with climate change. In the last 12 months there have been several reports pointing out that, in the Pacific region, many Pacific island nations are now identifying small islands within their countries for evacuation. Those people will have to go somewhere. Often, they will not be able to be housed in the bigger or higher islands. They are going to reach a point where there will be incredible pressure on land and water resources. People will have to go somewhere. Australia’s refusal to deal with mitigation and to reduce its own greenhouse gas emissions is a source of irritation in the region. And there will be conflict, because people will need somewhere to go. Tuvalu has approached the Australian government previously asking about who will take its people and Australia has said no. Kiribati has said that it would not even bother approaching Australia because it knows what the answer will be.

There is a discussion in the United Nations system about expanding the definition of refugee to include ‘environmental refugee’, because we know that there are going to be millions displaced as a result of climate change, even with the degree of warming that is locked in now—let alone increased warming as a result of increased emissions over time. What will happen, for example, to people in Bangladesh? They have nowhere to go but across the border. As climate change bites, we will see the kinds of resource conflicts being fought over food and water resources that we are currently seeing being fought over oil. When I was in Nairobi last year, some women spent three days getting down to the city, riding on the top of freight trucks, to come down and talk about the extent of damage that water depletion is doing in their villages, where they have run out of food and where wild animals have also run out of water and have started to trample villages in pursuit of water and food.

There is real dislocation happening around the world right now due to climate change—and, of course, in our own country we have the Murray-Darling. If ever there was an example of the economy being a wholly owned subsidiary of the environment, it is the collapse of the Murray-Darling system. I am amazed that the government would have the audacity to stand up in here and suggest that they have demonstrated some stewardship. In fact, it is the attitude that the economy operates separately from the environment that has led us to the disaster that is the
Murray-Darling today—as has the assumption that you can keep on taking for granted the ecological services of river systems and expect to continue to make money out of them and overstretch the system to the point of collapse, which has occurred as a result of deepening drought, increased temperatures and higher levels of evaporation. In time to come, I think the world is going to see the Murray-Darling as the example of what happens with classical economic thinking that says that you can run the economy and pay for the environment later. The environment will not support that kind of exploitation. And I am appalled that the government’s plan for the Murray does not include buying out the overallocation of water permits for at least three years. The crisis is now. We need those water allocations bought out right now and water to go back into the river system. But that is not going to happen as a result of this budget. The government has come out with its big water plan but, when you get to the bottom of it, the water plan does not actually buy out those allocations in a time frame that is reasonable.

Another example is you have the Treasurer in here saying that the economy has never been better, but you have a mine that supports a lot of people in the Orange area having to close because it has run out of water. It has gone to the City of Orange and said that it wants to purchase drinking water from Orange to keep the mine going for two more months. Then what happens? The mine has to close and Orange has less water. What happens then if you do not have a replenishment of water supplies in that area? We have got to a point where that same mining company has been washed out in Western Australia as a result of cyclone activity and put out of operation in New South Wales because of drought.

Those are the kinds of ramifications of climate change on the mining sector. Yet everyone is expecting the minerals sector will continue to boom. The same applies to the Anvil Hill coalmine. I opposed that coalmine absolutely, but it has been shown that it may not be able to proceed anyway because of a lack of water. That is my point also about nuclear reactors. They need vast amounts of water. In Europe last summer they had to close down a whole lot of their nuclear reactors because they did not have enough water, as a result of drought, to put on the cooling towers. Far from being a solution to climate change, nuclear is as much a victim of climate change as many other forms of electricity generation, and we are going to see that into the future.

The time to deal with the real challenges of climate change is now, and we are not seeing it. Frankly, fiddling around the edges as the government is doing is an insult to the science, to future generations and to people who are desperately concerned and living at this very moment with the impacts of extreme weather events like much more extreme drought and much more extreme bushfires. We will see, no doubt, in time to come—as we have with cyclones—more extreme weather events, storm surges and coastal degradation. That is happening now. The adaptation centre is welcome, but it is 10 years too late. But adaptation is not enough on its own; we have to set credible targets for greenhouse gas reductions. We have to set interim targets for 2020, because otherwise how are we ever going to get to a 2050 target in the time frame?

Another issue really concerns me. Last year I talked about oil depletion, and we had a whole Senate inquiry into future oil supplies and the need to move to alternative transport fuels and invest in public transport—and still there is nothing. It seems that the government does not care that the balance of trade figures are going so far in the wrong direction. Doesn’t anybody care about
the extent to which that imbalance is occurring, driven largely by oil imports? A decade ago we had 80 to 100 per cent self-reliance in oil. Now it is down to 55 per cent and going down fast. We are going to be importing and paying very high prices for oil in a global market where demand is outstripping supply—in my view faced with peak oil. Now was the opportunity to invest heavily in public transport. If there was one mega failure in the budget it was the fact that $22.3 billion was set aside in transport funding for new roads and nothing for mobility in our cities.

Everywhere else in the world can recognise that mobility is one of the biggest issues facing cities today. Look at what is happening overseas. You have California mandating reduced greenhouse gas emissions of 25 per cent by 2020; New York, 30 per cent by 2030; and the Mayor of London putting in place a huge investment in public transport. He has put in place congestion charges and used the money to invest in public transport to improve the amenity of the city. Investment in public transport does many things. First of all it improves air quality and health in the cities. Secondly, it reduces congestion and improves people’s lives, because they can get around a healthier city much more quickly. Congestion in Australian cities is costing business and the community dearly for the hours people are sitting in their cars stuck in traffic jams. It also deals with the issue of obesity, climate change and oil depletion.

Why will the government not spend the surplus looking at major infrastructure development in public transport in our cities which would benefit everybody and take care of a number of the big issues facing this country today? The Mayor of London has made public transport free for people under 16 and over 60. That recognises that those people need to move around the city and that they are in a position where they do not have as much cash as others. He has moved in and invested heavily in a new bus fleet, using the money from congestion charges to advance public transport. But in Australia it seems that the relationship with the private vehicle is such that the government is determined to maintain it by putting in new roads without any thinking about how we are going to keep those cars on the road in the face of oil depletion. Frankly, putting some money aside for alternative fuels at the same time as introducing an excise regime which effectively discriminates against them demonstrates that the government does not really understand oil depletion, alternative fuels, climate change—any of the issues that are concerning people thinking about urban planning. In fact, the government, instead of investing in public transport, is putting pressure on the states to free up more land outside the cities—further and further from the heart of the city—without a commensurate investment in public transport. You can say that that is a state issue, but the point is: if you are interested in nation building, where in the world have you got a major, progressive city without a highly efficient public transport system? Go to Tokyo, go to New York, go to Paris, go to London and you find that level of public transport. Go to Sydney and you end up in Western Sydney and there is no access to public transport at all. That is a major infrastructure failure.

I would like to use the last few moments to speak about the school outcomes because I find this devastating. There was an opportunity in this budget to invest heavily in high-quality public education, and it has not happened. Australia’s public schools are dying for more adequate funding, and, frankly, to say to Australia’s public schools that we are going to give students money to go off for tutoring out of hours or after school for literacy, but not provide schools and teachers
with the capacity to deliver that literacy in the schools, is a disgrace. Giving a $50,000 bonus to schools that make significant improvements in literacy just does not show any realistic understanding of the difficulties faced by a school. Not all schools are equal in the catchments from which they draw their students and in the difficulties associated with teaching those students. All this is doing is creating the kind of competition in the education sector which will undermine one of the pillars of a progressive society, and that is public education. The government’s refusal to fund public education and to keep putting the dollars into the private sector in the long term will be seen as one of the absolute disasters and failures of nation building.

As for performance pay for teachers, I find that totally and utterly unacceptable. I cannot believe it actually, having taught in public schools myself. It takes a whole school to manage some students—that is the fact. If you set up competition between teachers, if you leave a principal to determine that one teacher will get a bonus and another teacher will not get a bonus, then you will have the teacher without the bonus saying, ‘You take those difficult children; why should I have to do that? You don’t think I am a particularly good teacher; you get more money, you take those students.’ You are going to get that kind of behaviour in schools which will undermine their capacity. Both nursing and teaching are collegiate professions. You need to work with your colleagues and you need to be treated fairly, justly and equally. I find this whole notion of performance based pay an affront. It is going to be more and more difficult to staff those difficult schools because if your pay depends on performance you will want to work in the schools where the social capital of those students enables you to get a bonus. Who will want to go to a school where that is more difficult to achieve? Let us fund schools to be collegiate in the way they operate. Let us give them the resources to deliver the literacy and numeracy outcomes that we want. Let us not keep undermining the morale of teachers. Let us not keep pretending that the private sector, in terms of these literacy and numeracy bonuses or payments to go off to after-school learning and whatever, is going to replace a qualified and dedicated teacher at a public school, because it never ever will.

Senator CONROY (Victoria) (4.47 pm)—I rise to speak in support of this motion. It has been noted that every Australian with a pulse—or perhaps more appropriately a vote—has benefited from a fistful of dollars courtesy of the Howard government in this year’s budget. However, apparently there are not any votes in productivity, because this budget comprehensively fails to take the steps necessary to turn around Australia’s lagging productivity growth. Productivity growth is fundamental to our future prosperity. Productivity growth means increased economic growth, which means improved standards of living for Australians and for Australian society. Improving Australia’s productivity is the best way to improve our competitiveness and to keep the Australian economy growing. The fact that Australia’s productivity growth has stalled is a serious concern for Australia’s future economic prospects.

The budget papers paint a grim picture of Australia’s future productivity performance. According to the budget, productivity growth in 2006-07 was zero. Let me repeat that: our productivity growth this financial year was zero. Further, the budget papers forecast productivity growth of an anaemic 1.75 per cent per annum over the final two years of the forward estimates—so much for the productivity nirvana that was supposed to be ushered in by Work Choices. In fact, according to Treasury’s own figures, Australian productivity growth will average a mere 1.5 per
cent per annum in the five years following the introduction of Work Choices. After 11 years in office, the best the Howard government can do is a forecast productivity growth rate of just 1.75 per cent in the final two years of the forward estimates. This is barely half of the productivity growth rate achieved by Labor in the 1990s. Given that Treasury forecast productivity growth of 2.25 per cent for 2006-07—only for us to now find that the actual figure was zero—it may be that Australia’s actual performance may be even less than the forecast meagre 1.75 per cent.

Let us be clear: Treasury forecast for this financial year growth of 2.25 per cent and the actual figure is zero. So why is Australia’s productivity growth rate so poor? Well, as Labor has been arguing for many years now, the Howard government’s failure to invest in Australia’s productive skills and infrastructure, over 11 long years of government, is choking off Australia’s productivity growth. The Howard government’s preference for short-term politically motivated quick fixes over making the investments necessary to sustain the nation’s long-term prosperity, has left Australia poorly prepared for the future. The Howard government’s arrogance and complacency through the windfall of the mining boom has left Australia unprepared for when the extraordinary luck we have enjoyed through geological providence dries up. The 2007 federal budget is a shining example of the way that the Howard government has failed the future test. This budget reveals—

Senator Nash interjecting—

Senator CONROY—Welcome, Senator Nash. I will be coming to one of your pet topics later in the speech. This budget reveals a government with an eye on its own electoral prospects instead of on the economic prospects for our children. Nowhere is this more clear than in the Howard government’s failure to invest in a high-speed national broadband network as part of this budget. The government’s failure to invest in a national broadband network as part of this budget represents a missed opportunity for investments in bolstering Australia’s future productivity growth.

Senator Carr—We are stuck on the goat track.

Senator CONROY—Thank you, Senator Carr. We are stuck on the goat track because the Prime Minister and Treasurer bounced Senator Fiona Nash out of their office. To be fair to Senator Nash, she has been a supporter of a high-speed national broadband fibre network. She produced the Page Foundation’s report which recommended a fibre optics network around the country at a cost of around $7 billion, from recollection. What happened? The Prime Minister and the Treasurer said, ‘The door’s over there.’ The country has suffered because Senator Nash did not have the capacity to convince the Prime Minister, the Treasurer and Senator Minchin of the benefits. The truth is that it is almost an age gap thing. Senator Nash gets it. Senator Nash gets why this country needs a national fibre network. Unfortunately, she was dealing with the Prime Minister, who does not get it. Senator Nash gets it; I am sure that Senator Birmingham gets it. I know that you cannot say anything, Senator Birmingham, as you have not spoken yet, but I am sure that Senator Birmingham gets it.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Senator Conroy, address your comments through the chair.

Senator CONROY—I accept your admonishment, Mr Acting Deputy President. The government’s failure to invest in a national broadband network as part of this budget represents a missed opportunity, as I have said. The significance of ICT innovation as a component of productivity growth
Continued ICT innovation, especially in the sphere of collaborative web 2.0 technology, relies on broadband infrastructure. Consider just some of the productivity-driving applications made available by true broadband infrastructure—and I know that I am preaching to the converted over there with a couple of you: teleworking and remote access, enabling a more flexible workplace; online stock ordering and management logistic services; cheaper internet based phone calls, enabling significant cost savings; virtual private networks and wide area networks, allowing for centralisation of small business resources, improving resource use and reducing costs; low-cost internet based videoconferencing services, saving on transport costs; and off-site managed backup and recovery services for small businesses’ valuable data, providing improved security and peace of mind.

The CEO of the major US telecommunications company CISCO, John Chambers, recently noted that he believed that these kinds of applications could lift productivity by two to three per cent, and possibly by five per cent. While Mr Chambers is obviously an interested participant in this debate, his view deserves consideration by virtue of his prescience in foreseeing the productivity benefits realised from the first wave of internet applications in the 1990s. Unfortunately, despite the desperate need for Australia to improve its broadband infrastructure, as revealed in the government’s budget papers, Australia is not well positioned to take advantage of these. As Mr Chambers noted during his recent visit to Australia, Australia has to improve its broadband infrastructure or this country will be left behind. If Australia does not have access to world-class broadband infrastructure, the next wave of ICT productivity growth will pass this nation by.

In fact, the Minister for Communications, Information Technology and the Arts admitted that the Howard government has failed to prepare Australia for the future when she said that Australia’s broadband infrastructure is ‘okay at the moment, but it won’t be in the future’. However, despite this, the 2007 federal budget includes no previously unannounced spending for broadband infrastructure investment—none; nothing new whatsoever.

Senator Nash—You do not spend taxpayers’ money when you do not need to.

Senator CONROY—I will take that interjection and return to it, Senator Nash. Unfortunately, in the race between nations to establish the business conditions necessary to compete in the global economy, our international peers are investing heavily in cutting-edge communications infrastructure. China gets it; India gets it; we do not get it. We keep lagging; they get further ahead—and they have already got plenty of other advantages over us. In contrast, we have not even got to the starting line.

But apparently this is not of concern to the Howard government. The refrain of the minister for communications over the past two years has been that there is no need for further investment in broadband infrastructure in Australia. Senator Birmingham, I am looking forward to your inaugural speech, because I know that one of the issues in your home town of Adelaide is broadband. But Senator Coonan went on to say, ‘No-one is complaining about broadband speeds.’ She must not have been to Adelaide very often, Senator Birmingham. You should invite her to come to the place. The minister has fought a ferocious fight in favour of the status quo, a status quo in which Australia continues to trail the world in this important area of economic infrastructure. The Prime Minister apparently has a similar view, telling parlia-
ment this week: ‘It is not the business of taxpayers to fund broadband. It should be a product of the proper operations of the market circumstances of our economy.’ And Senator Nash is parroting that. My message to the Prime Minister is that we are still waiting. After 18 months of private sector debate with the ACCC and the government, there has been no movement. If, as the Prime Minister suggests, the federal government plays no role in facilitating infrastructure investment, how long will we be waiting before true broadband infrastructure is rolled out in Australia? How long do we have to wait? If the government vacates the field and shows no leadership on this issue, how long will it be until we see the kind of major infrastructure investments the Australian economy needs?

In reality, the Howard government knows that it does have a responsibility to invest in broadband infrastructure in Australia. And, Senator Nash, you can claim some credit for what I am about to talk about. Despite you saying just a moment ago that the government should not spend any money on it, since 2002 the Howard government has spent literally billions of taxpayers’ dollars on 16 separate broadband programs. The government stands up and says, ‘The taxpayers should not have to foot the bill for this,’ Why have you got 16 separate programs? The minister proudly boasted recently, ‘We’ve spent $4 billion on broadband.’ The government’s own minister says, ‘We’ve spent $4 billion on these 16 programs, but taxpayers should not be involved.’ I just wish Senator Coonan would occasionally have a chat with the Prime Minister or vice versa. Unfortunately, all we have to show for this spending is a series of press releases and, to their credit, National Party photo opportunities.

These programs were short-term, politically motivated bandaid solutions, but they did exist—putting a lie to the Prime Minister’s claim. The Prime Minister’s line that this is not the government’s responsibility is simply the Howard government’s latest excuse for its own lack of leadership in facilitating broadband investment in Australia. Presumably the reason that investment in broadband infrastructure was utterly ignored is that the minister believes she will be able to fix this issue with a behind closed doors, election-year deal with Telstra. In fact, Senator Coonan insisted:

… prospects are reasonable that there will be an opportunity for a provider or a group of providers to roll out a fast fibre network very soon, within three years—

and that the provider ‘probably will be Telstra’. This claim came as a surprise to many in the industry, given that Telstra’s plans for a FTTN network have lain dormant since July 2006, due to the regulatory gridlock that had emerged under the minister’s watch. The minister herself told the Senate on 26 February this year that Telstra had ‘walked away’ from its FTTN proposal. It also came as a surprise when Telstra informed the ASX that it could not proceed with its FTTN investment, and Phil Burgess, Telstra’s head of regulatory policy, stated:

The Government needs to get its own policy house in order before there will be progress—

for all Australia on the FTTN talks. Mr Burgess was saying that government policy would have to change before Telstra would make its FTTN investment. But last year, before Labor announced its policy for a national broadband network, the minister did not agree with Mr Burgess. After the collapse of Telstra and the ACCC’s FTTN negotiations, the minister told the Senate, on 17 August 2006:

… if Telstra were actually concerned about this, they could have, if they wished, proceeded with their investment. My understanding is that they had committed to doing that and had engaged in
conversations with the ACCC for months — and in fact had admitted that they were, to all intents and purposes, satisfied with the talks that had taken place with the regulator that would have enabled competitors to have access to fibre to the node.

So in August of last year, according to the minister, there was no regulatory impasse to the construction of a FTTN network. She built on that on 21 March this year, when she said:

The regulatory environment that is currently provided is sufficiently flexible to deal with the issues that have been brought to government both by Telstra and by the current G9 proposals.

Again, the minister said that no regulatory reform was needed. However, come April — and under pressure from the overwhelmingly positive public response to Labor’s plans — the minister was singing a very different tune, telling the *Australian*:

“It’s important that we work through and ensure the particularly regulatory concerns — of Telstra — are addressed.”

“I could and should take a role in making sure the regulatory concerns of proponents are addressed,” she said.

Further, despite stating just last year that, ‘The government will not be changing the USO; it was reviewed recently and will not be changed,’ the minister then said in a press release:

Telstra had no immediate plans for the network to extend to the remaining capital cities, large regional centres and rural areas …

This is the minister quoting the Telstra proposal. She went on to say:

Therefore, Telstra’s argument about the costs of providing a service to rural, regional and remote Australia is not relevant to FTTN.

The minister now says, in the *Australian* article, ‘You clearly need to look at what Telstra calls the rural deficit’ to facilitate the rollout of FTTN — an issue intrinsically linked with the USO. But last year she said there were no issues with metropolitan and rural and regional cross-subsidies; this year, under political pressure, ‘You clearly need to look at it.’

Let us be clear on this, because government ministers continue to engage in misleading the Australian public. They keep saying that there are two proposals for a fibre optics network. What they are not telling Australians is that the two networks only cover five capital cities and a couple of regional centres. It is not a national network. Telstra and Optus put up their hands and say, ‘We’ve got these proposals for these roll-outs,’ but they are not national networks. Both of them make it absolutely clear: ‘We need government money. We have to come to an arrangement with the government.’

Senator McGauran — You ought to read their advertisements.

Senator CONROY — They are not proposing a national network, Senator McGauran. If you got outside of Collins Street and went up to Benalla, where you claim you have an office, you will find out —

Senator McGauran — I’ve got an office in Ballarat.

Senator CONROY — You’ve been kicked out of Ballarat. You were rorting the government’s own tender, as you know. I am sure you have moved from that office.

Senator McGauran interjecting —

The ACTING DEPUTY PRESIDENT (Senator Murray) — Order, Senator Conroy!

Senator CONROY — I withdraw, unreservedly.

The ACTING DEPUTY PRESIDENT — Thank you.

Senator CONROY — Let us be clear: if you actually got outside of Collins Street, Senator McGauran, you would discover that
the proposal that both Telstra and G9 are putting forward is not one that would reach you anywhere out of Melbourne’s CBD. It will not reach you; it is not a national network.

Last year, Labor said that this is the context for the minister’s behind-closed-doors discussions with Telstra. For the minister to even open the door to Telstra, she has to perform a whole procession of broadband backflips. Labor support some of these backflips. We have been arguing for some time that the government must show leadership to facilitate the rollout of a FTTN network, but Labor’s position on FTTN is public knowledge.

(Time expired)

Senator Barnett (Tasmania) (5.07 pm)—It is a pleasure to stand to oppose the motion moved by Senator Sherry and the Labor Party. I say at the outset that I have a croaky voice and apologise to the Senate for that. I feel extremely healthy and well, but the voice is a little croaky. Nevertheless, the crocodile tears from Senator Conroy on the other side, with respect to our government’s foresight and policies on the communications system in this country, are for naught. In responding to the motion by Senator Sherry I want to address, firstly, the issue of Australia’s productivity and, secondly, the aspect of Senator Sherry’s motion which says that the federal budget focuses on a short-term election fix rather than long-term nation building’. I would like to draw the attention of the Senate back to 1995 when the Labor Party put forward its last budget in office. I remind those on the other side and those who are listening that in 1995 the Labor government of the day expended more money on interest payments than education. That is a shameful record.

Senator Brandis—That is a million dollars an hour.

Senator Barnett—That is a shocking record, as indicated by Minister Brandis. That was the legacy that they left. Not only that; it was a $96 billion debt. That is what the Australian Labor government left this nation. In the 11 years of stewardship under Prime Minister Howard, Treasurer Costello and their team, the government have had the foresight to plan for the long term. That foresight said: ‘Let’s pay down that debt and get those interest rates and interest payments down.’ That is exactly what has happened. Those $96 billion are 96 billion reasons why I am proud to be on this side with the Howard government. We now have record low inflation, record low unemployment, record jobs growth, record GDP support and good figures for the long term with respect to GDP growth.

In terms of unemployment, the Australian Bureau of Statistics released the latest figures today. What do they say? This addresses the issue of productivity—that is, how many Australians are actually in employment; how many actually have a job? You will see that the ABS has said that we now have 4.4 per cent unemployment. That is effective as at April 2007. That is the lowest unemployment rate since November 1974. It underpins the fact that the Howard government is being a strong steward of our economy and in providing job prospects for all Australians. An impressive 326,200 jobs have been created since March 2006—after a year under our new industrial relations regime. What did the Labor Party say about jobs?

Senator Brandis—they said it would destroy jobs.

Senator Barnett—that is correct: they said it would slash jobs. They also said it would reduce wages. They were the two main allegations that not only the Labor Party but also the union movement put to the Australian people. Labor and the union
movement together said those things. They made those allegations—along with the fact that ‘the sky was going to fall in’. Exactly what has happened? Jobs have not been slashed and wages have not gone down. We have over 326,000 new jobs since the new industrial relations system came into force. What else has happened? We now have a 20 per cent increase in real wages. This is above inflation. Let us compare it to the 13 years under Labor. What happened is that real wages actually went down as a result of the stewardship of the Australian Labor government for 13 years prior to the Howard government entering office in 1996. So now we have more Australians in work than ever before. That is a historic record of 10,416,600 Australians. The bulk of those people are, in fact, in full-time jobs. More than two million new jobs have been created since the Howard government came to office, and almost 1.2 million of those are full-time jobs. That is where the Howard government is delivering in spades for Australian working men and women.

Today I was delighted to reflect on the answer given by the honourable senator Eric Abetz to a question from Senator Judith Adams. He advised the figures with respect to the number of jobs and confirmed the position of the government—that the most important safety net that any government can provide to its citizens is the opportunity for a job. Remember that under Labor we had over one million Australians on the unemployment scrap heap. He reminded the Senate that we have legislated minimum conditions that cannot be traded, including four weeks annual leave, 10 days sick leave per year, a maximum of 38 hours in a working week and, of course, a minimum wage. When I mention the term ‘minimum wage’, we reflect back to the IR policy announcement by the Labor Party at their national conference just a week or so ago. This is something that was not referred to when they released their IR policy. It was not there. You can look at the records. The fact is that they did not include a minimum wage in the release of their own policy. It is what you would call policy on the run. The Labor Party, on the other side, forgot to include it. That is basic, and it is very disappointing. It shows that they are out of touch.

And they did not consult the business community. Mr Eddington has already made that quite clear, as have various industry and business groups around Australia. In terms of their IR policy the Labor Party have confirmed that they wish to rip up AWAs, that they wish to pursue the unfair dismissal laws, which were so unfair on small business—remembering that this country now has two million small businesses. They are the backbone of this economy in my view, particularly in rural and regional Australia. The admiration and respect that should be shown to small business is being demonstrated by the Howard-Costello government but it is not being demonstrated by the opposition, because they support this job-destroying unfair dismissal regime. They want to bring it back. They want to take Australia back decades into the past with their industrial relations regime. They want to set up the centralised wage-fixing system of old, of decades ago.

Time has passed, time has moved on and the Howard-Costello team have a policy in place where we have had to make some tough decisions to get the economic reforms in place to ensure that productivity is growing, to ensure that we have more jobs, to ensure that we have got higher wages—and guess what? It is being delivered in spades. The Labor Party should acknowledge that, accept it and go to the Australian people and say: ‘We apologise. We’ve got it wrong. We’ve muffed it.’ Sadly, they have not done that.
Under Labor for 13 years, we had 17 per cent interest rates and for small business it was even higher. How can they operate, do well, employ people and put money back into their community when interest rates are that high? Interest rates under a conservative government and a coalition government will always be lower than under Labor—and this is a concern for the Australian people, let it be known. Under Labor there was double-digit unemployment and a million Australians were on the unemployment scrap heap.

Labor want to scrap AWAs, and I do not know why. I ask the question: why is it? The union movement own and operate the Labor Party. In this place, for example, in the Australian parliament, 70 per cent of the Australian Labor Party representatives are from a union background. They own and operate the Labor Party. Even at the Labor Party conference it was quite clear: Mr Greg Combet was parachuted into a new position, followed by Bill Shorten from the AWU. You have got Jennie George, Martin Ferguson and Simon Crean. You have to ask the question: is the tail wagging the dog or the dog wagging the tail with respect to who is in control? It is my strong view that the union bosses are in control.

I want to congratulate Joe Hockey, the Minister for Employment and Workplace Relations, on his leadership and compliment him for it. He has demonstrated that he has worked and listened to not only the business community and various business representatives but also the working men and women of Australia. He has been to Tasmania. He has met with the employees and he has met with the employers. He has done the rounds of this country and got a feel for what it is like, unlike the Labor Party who have refused to consult and talk to people in industry, particularly in the mining sector.

I have a lot of empathy for people in Western Australia. You have a state Labor government who are solidly behind AWAs and have just this week used them for a major construction work south of Perth. They cannot convince their federal colleagues to see sense. I would encourage them to lobby their federal colleagues to dissuade them from pursuing this policy of ripping up AWAs. But the mining industry in particular is very appreciative of the fact that they have the opportunity of choice, of pursuing workplace arrangements with their employees in that way. They have very low unemployment in Western Australia.

It just so happens that in terms of AWAs we have about eight per cent penetration of the Australian workforce; in Tasmania, it is actually 13 per cent, so we have a very high penetration. As a Tasmanian senator I am proud that the Howard government has provided business in Tasmania with a choice. The Labor Party want to remove that choice for business and they want to go back to a centralised wage-fixing system where the unions are back in the workplace and dictating policy to employers and their employees. I know that AWAs are working in Tasmania. A recent editorial in the Australian Financial Review said:

As countless firms—from Rio Tinto to Banjo’s Bakehouse in south-west Tasmania—can testify, individual contracts offer breakthroughs in productivity that are sometimes not available through union-brokered deals ... Banjo’s bakery, in Strahan in the western part of Tasmania, is well known for its excellent bakery, and people appreciate it. I also know that the employees at Banjo’s bakery appreciate the arrangements that are in place, because in the wintertime the demand for the bakery services is much lower. In the summertime it is much higher, yet they have the opportunity of having a job and they have an arrangement with their employer where they
can have a job and be confident about planning for the future. They can go and get a mortgage. They can go to the bank and say, ‘I’ve got a job; it’s full time,’ or ‘It’s permanent part-time,’ and so on. They have an AWA in place.

In a recent editorial the Australian said that Mr Rudd’s reregulation of industrial relations will increase business operation and compliance costs and reduce productivity. The whole thrust of the Labor Party’s proposal is that our federal budget will actually reduce productivity. The biggest threat to productivity in my view is actually Labor’s plans to reregulate the labour market and hand control over to the unions. They want us to go back not just a few years but decades and put the unions back in control. It is not just my opinion. I want to share the opinion of Heather Ridout of the Australian Industry Group, who said:

Kevin Rudd talks a lot about productivity but this re-regulation will lower productivity.

That is the view of the Australian Industry Group. Michael Chaney of the Business Council of Australia said:

Despite claiming to support policies that will lead to continuing productivity, the ALP has clearly ignored consistent and strong business representations about how productivity and jobs growth is achieved in the economy …

You cannot get much clearer than that. There are a host of small business organisations—not just the Australian Chamber of Commerce and Industry but also Tony Steven, a colleague and friend of mine from the Council of Small Business Organisations of Australia, and in Tasmania, of course, the Tasmanian Chamber of Commerce and Industry and other small business groups, the backbones of our economy—and they do not like the thought of being reregulated and having more red tape and unions in control of their businesses.

The Howard-Costello budget is designed to provide for the long term; we have set up the Future Fund. Yes, it is an education budget, and we have set up the endowment fund for universities. It is consistent with this government’s policy of making tough decisions. How do you get productivity? You have to make tough decisions—and the runs are on the board because you have had the waterfront disputes and the reform of the waterfront. You have had the GST reforms. Of course, what has happened there is that the states have been flooded with GST dollars, allowing them opportunities to cut taxes and provide services whether it is education, health, welfare, police or so on. It is sadly being mismanaged and maladministered, particularly in my home state where they have $117 million over and above what they would have been receiving under the old tax system.

So you have these tough decisions that are being made by our government—gun laws is another and industrial relations reform is yet another. That is the reason you get productivity growth. That is the reason that we are providing the jobs for Australians. That is the reason that inflation is low and real wages are high, having increased 20 per cent over the last 10 or 11 years. It has provided for a flexible labour market.

Of course, there are going to be further reforms. We heard earlier today about energy, water and transport. We have $22 billion being expended under AusLink. That is a huge increase. I think it was $13 billion or $14 billion last year, but it is a very big increase and that will provide opportunities. This is infrastructure development, particularly in rural and regional Australia. Our record of investment in land transport infrastructure through AusLink 2 is very much appreciated. These are the things that have been done by the Howard-Costello government.
I want to compliment Michael Ferguson and Mark Baker in north and north-west Tasmania for their advocacy of these tough decisions—sometimes it is tough, but they realise it is delivering jobs in Tasmania. They realise that there are higher wages in Tasmania for their constituents. I can assure you that Ben Quinn, the Liberal candidate in Lyons, is a strong advocate for road funding and for supporting rural and regional Tasmania; he is very keen to ensure that there are policies to tackle the water crisis and energy issues and he is working with the local community to make a difference. Vanessa Goodwin in the Franklin electorate in the south has a fresh, new approach and people have been appreciating that very much indeed.

In conclusion, the government has delivered and will continue to deliver for the long term. That is exactly what this government has done in the past and that is what we are planning to do in the future. In planning for the long term in health, the government is delivering in spades. We saw that in this budget. We have the Active After-School Communities program—that has been extended now by over $120 million to encourage more healthy Australian children. Thank you, Minister Brandis, for that initiative; it is very much appreciated. We have $100 million from our government and another $100 million from the states—over $200 million—to tackle the type 2 diabetes epidemic across this country. We have a national nutrition and physical activity survey, the Wellbeing Plan for Children and a whole lot more activities in funding initiatives to tackle the obesity epidemic. Those initiatives are very much appreciated. (Time expired)

Senator Carr (Victoria) (5.27 pm)—I would like to support the motion by Senator Sherry which points out that the budget fails to tackle Australia’s poor productivity performance, meet the challenges of climate change, deliver practical solutions and ensure long-term investment in broadband infrastructure. This budget focuses on a short-term election fix rather than on long-term nation building.

With regard to productivity performance, this country is slipping further behind our international competitors. If you look at our performance in research and development, it is the same case. If you look at our performance in terms of exports, it is the same case. If you look at our performance in terms of infrastructure development, it is the same case. What you are seeing here, particularly with regard to education, is the failure of this government to face up to their obligations. We have noticed the trend that has developed over this 11-year period, whereby this government essentially have taken a very hostile attitude to education. In the five minutes before an election, they seek to present themselves in another light. They suggest that, by talking the talk, somehow or other they will be able to persuade people that they understand the issues. We know, particularly in this case, that that is not the situation in reality. We know that the same argument applies with regard to the approach taken by the government on climate change: they think that, if they mouth the words, we will be persuaded that they understand the problem, and that is just not the reality.

The government has in fact transformed higher education in this country and has done so largely by stealth. It has done it by degrees but not by halves. This transformation is nothing short of staggering. In 1996, when the government came to office, the Australian government accounted for some 57 per cent of overall university revenue. The latest data available show that this share was down to 41 per cent by 2005. In 1996, university income from student fees was at 25 per cent, including the HECS revenue, and the latest figures from 2005 show this income, out of
the pockets of students and their families, at 37 per cent.

We know that in the last two years that figure has actually grown. As a result of this budget, we will see that trend exacerbated. This is a tectonic shift and nothing less. What is clear is that our universities are being encouraged—in fact, directed—by this government to act as businesses, no more, no less. By stealth, this government has implemented a market approach to higher education. It has got to the ironic situation where the Productivity Commission is now saying to this government that it must remember the purpose of these higher education institutions. When the Productivity Commission says it is time to have another look at this, you do have to ask yourself why this government has got so far off track.

I recall back in 1996, when former Senator Vanstone became the Minister for Employment, Education, Training and Youth Affairs, that she was under orders from Mr Costello to cut 12 per cent out of university spending. I recall the stories of the approach that she took at a Vice-Chancellors’ Committee dinner, where she stood up and held up a bottle of wine, as Senator Vanstone was very capable of doing, and said that she would deliver cuts that were equal to the alcohol content of the bottle.

As it turned out, she was not able to achieve that objective because she only secured six per cent cuts in that budget. She reduced university operating grants by six per cent over four years; she brought in marginal funding at a very low rate for students over the Commonwealth established quota for each institution; she allowed universities to charge full fees to undergraduates for up to 25 per cent of enrolments in a course; she introduced differential HECS rates; and of course she created that whole notion of market forces in terms of what she said were student choices. She also abolished the government’s independent advisory body, the Higher Education Council.

Senator Vanstone said that she was seeking to rebalance, between student and taxpayer contributions, the cost of higher education. She deliberately sought—and I think she achieved it—to break the nexus between the cost of a course and the price that students were to pay. The unsatisfactory indexation arrangements that she imposed were set in stone. In fact, they have not been changed since. They are certainly not changed in this budget.

So what we saw was an institutional framework in which the universities of this country were starved of funding. In time, they became more desperate as the government directed the universities to undertake programs and intervened more directly in the management of universities to strip away the principles of institutional autonomy. In fact I recall that in that process Senator Vanstone reduced funding in the university sector by $1.8 billion in those four years. But it was not just about reducing the money; it was about pursuing a change in the management and the direction of higher education—in the process, seeking to transform the governance arrangements of universities. Of course, in this week’s budget we can see that a further step in that transformation process was taken, and I will come to that in a moment.

With Minister Kemp, Senator Vanstone’s successor, there was a further thrust towards privatisation and an attempt to broaden the differentiation between the different types of universities. What we saw this week was a further step in that direction. Dr Kemp introduced the performance based funding model for research infrastructure and for research training. Under Dr Kemp, the government sought to impose an industrial relations philosophy on the way in which universities...
were to treat their staff and the way in which they were to reduce the wages and conditions of staff. The so-called workplace reform agenda that he pursued sought to make Commonwealth funding conditional on the pursuit of the government’s industrial relations agenda.

The next minister for education, Dr Nelson, imposed further policy instruments and policy settings to promote price deregulation and an expansion of the fee-paying mechanisms. A partial deregulation of the HECS charge allowed universities to add a further 25 per cent to the charges they made. As universities became increasingly desperate for the revenue, increasing numbers of universities took up that option. With the introduction of FEE-HELP, students were increasingly required to put themselves into debt on top of the arrangements that had been made with regard to HECS, and those principles applied to private institutions that were brought within the system. For the first time, we saw a change in the way in which the Australian higher education system approached the public sector institutions and we moved closer to the American model with regard to the differentiation of quality in the university system.

Dr Nelson also provided additional operating funding for universities on the basis that they pursue still further the government’s industrial relations agenda in an attempt to cut unions out of universities’ management and undermine the capacity of staff to pursue the protection of their own conditions and academic freedoms. We saw, of course, significant and profound changes in the way in which the government administered research grants. The government sought to withdraw money from researchers who had been accepted by an independent and peer-reviewed statutory authority, the Australian Research Council. The government sought to withdraw funding from academics who were undertaking research in areas that the government thought for political reasons was unacceptable. So we had this form of censorship introduced into the research pursuit in this country.

As a consequence, I think that our competitiveness as a nation in terms of our ability to attract international academics was undermined. Our capacity to actually defend academic freedom in this country was undermined to the point where, particularly in the science and technology disciplines, we had a major drain in our capacity to attract high-quality people to undertake university work. As a consequence, our universities are increasingly populated by people who are now at the end of their careers because we were not able to replace them in sufficient numbers with people who were coming into the system. So the best and brightest often found that it was more attractive to work overseas.

With this budget, the government is actually exacerbating these trends. We see that universities will be required to return to increasingly private sources of funding through commercialisation and commercialised research and, of course, through the application of private student fees. We see an open-ended loan scheme for full-fee paying students being operated and not restricted by number. We see the removal of caps on fees. We see that, in some universities, there will be an increase in terms of the price that has been able to be argued that universities can charge. We see no measures in this package to protect the quality of our universities. There are no additional measures and no attention to those questions other than reliance on discredited RQF arrangements that they put in place in last year’s budget.

We will see the loan limit of $80,000 for some courses—in fact, for most courses—soon force up the price of courses still fur-
ther. We will find that university access will become increasingly restricted to those with the ability to pay. We will see a further decline in what is known in the sector as the achievement of the equity objectives. We notice that what Dr Nelson thought was onerous and intrusive—even for Dr Nelson—is now becoming the norm in terms of the intervention and management of universities, to the point now where this government openly argues that it has the right to micro-manage institutions to the extent of stifling free speech and forcing a reactionary agenda upon the universities in terms of their teaching and research agendas.

What we notice, then, over a decade is a government that has increasingly sought to have the universities meet the criteria of institutions that meet a very narrow vision. It is almost as if the main players within this government had a nasty experience in the sixties and thought that the university system was an enemy: it was made up of people who represented part of a cultural elite; they were left wing inherently and therefore they had to be brought to heel. What you see is a university system which this government actually does not like. What you have is a government that does not like to deal with intellectuals. We have seen over time, in the government’s pursuit of its so-called black arm-band view of history, its war against the ABC and its war against a whole range of cultural institutions in this country, a view that is predicated on quite erroneous assumptions about what the role of a university actually is.

We now have a situation where, by international standards, in terms of the number of PhDs we are producing in this country, we are miles and miles behind our competitors. Let me remind you that in Canada they have 8.2 PhD holders per 1,000. In Germany they have 21.1 PhD holders per 1,000. In Switzerland they have 27.7 PhD holders per 1,000 workers. But, in Australia, it is 7.8. We have a situation where Australia is falling further and further behind comparable countries in the OECD.

We say we want to be part of a global economy, yet what does this government do in terms of Asian language studies? What did it do in 1996 as one of its first acts? It did not like the notion of Keating’s agenda for engagement with Asia. It took the view that Keating’s approach in terms of Asian language teaching was about the ‘Asianisation’ of Australia, if I remember the language at the time. What we were told back then was that we do not need to speak Asian languages. Now, of course, we find that in Australia we have a situation where less than one per cent of our university students are undertaking Asian language studies. We have a situation where this government has increased the HECS for students in economics and accounting courses.

Senator Brandis—That is not the truth.

Senator CARR—That is true. That is clearly true. Furthermore, what we see hidden away within the budget papers are new measures, of some $200 million, to fund a structural adjustment program so we can fully complete the transformation of the Australian higher education system. What it says is—

Senator Brandis—Have you forgotten about the $5 billion endowment?

Senator CARR—I will get to the $5 billion. What it says here is that institutions can use this fund to fund diversity specialisation and build on existing dual-sector initiatives. What you want to do is go back to the old binary system because you deeply resent the fact that we have a mass education system which could be of the highest quality.

Instead, what we have now is a proposal for a $5 billion fund which, we are told, it is estimated will produce a $300 million reve-
nue result. What we are not told is that there is an urgent, immediate backlog of maintenance and related work in excess of $1.2 billion. What we are not told is the government’s conditions for access to this fund. What we are not told is that there will be a buy-in. What we are not told is that this is a program which will be conditional on the acceptance of the government’s industrial relations agenda.

We have a situation in which the maintenance backlog at universities is such that some universities, such as the ANU, need as much as $500,000. Universities built in the seventies are falling down and, in many cases, are quite unsafe. From this government we have a smoke-and-mirrors proposition, a pea-and-thimble proposition, whereby the existing commitments for the Capital Development Pool and the Research Infrastructure Block Grants program have not been extended. What is the situation, Senator Brandis? What is the commitment by this government to extending those programs? What is the proposition of this government? Is it not the case, Senator Brandis—

Senator Brandis interjecting—

The ACTING DEPUTY PRESIDENT (Senator Murray)—Order! Senator Brandis, you are being unruly.

Senator CARR—Is it not the case, Senator Brandis, that your program is—

The ACTING DEPUTY PRESIDENT—Address your remarks through the chair please, Senator Carr.

Senator CARR—to impose these conditions upon the universities and to remove funding from the Capital Development Pool and the Research Infrastructure Block Grants to transfer, by way of substitution, these new arrangements and to make that funding available to an exclusive group of universities? Is it not the case that this program is all about ensuring the benefit for the Group of Eight universities at the expense of the regional universities? Is it not the case that that is what the $200 million program is all about? The structural adjustment program is an attempt to buy off those universities when the inevitable consequences of this program come to light. Is it not the case that in the Research Infrastructure Block Grants Scheme we have a program which means that this country has been left for dead by international comparisons? Is it not the case that in comparison to what other countries are spending on their universities that Australian universities are being left for dead? And you have done nothing about that.

Senator HUMPHRIES (Australian Capital Territory) (5.47 pm)—That was quite a gutful that we were given by Senator Carr. I want to talk mainly about education tonight, but I do want to make a couple of points about what Senator Carr had to say about universities. First of all, I think it is disgraceful that the Australian Labor Party has risen in this place for political purposes to talk down the achievements of Australian universities. I am a graduate of one of those universities. I assume Senator Carr is one, and many others in this place are. They are institutions which have done a superb job in producing outstanding graduates and outstanding research programs in the Australian context.

I am proud of what the Australian universities have done and I think that they are excelling in the fields in which they work. There is, of course, room to improve, but that is what the $5 billion Higher Education Endowment Fund in this budget is all about. It is about improving an already very good education system. I make one more point: Senator Carr told us how disgraceful it was that the coalition government moved to cut education funding in 1996, what a dastardly thing it was and how terrible Amanda Vanstone was to undertake that activity. He
said that the Labor government had funded education more generously than have we.

Let us be very clear about this: Labor had not sustainably funded education to that level at all. It had spent money on education—as in all other areas of the budget—that the Australian community could not afford. It was on the basis of a debt of $100 billion and a deficit of $10 billion.

Senator O’Brien—Your money’s on the basis of China.

Senator Humphries—In other words, Senator O’Brien, what your party was spending on education, on health, on policing, on Australia’s role in the world and international activities—on all of those areas—you were spending on the Bankcard. We had the task, on coming to government in 1996, of not only looking at how we were going to deliver our own promises to the Australian community but first of all paying off the ones that you had made and delivered on the Bankcard. That is the reality of the matter, so do not lecture us—with respect, Senator—on the way in which we cut the budget in 1996. We cut the budget in 1996 in order to bring Australian fiscal arrangements under control and to produce the surplus budgets and the reduced and eliminated debt that was necessary to make the Australian economy strong. And we have achieved that.

I can understand the disappointment that the Australian Labor Party felt on budget night this week when they heard what was in this budget which did so much to provide for the future security of the Australian community. You could imagine the intake of breath; you could almost hear the thuds on the floor around the building as the jaws hit the floor. You could also see very clearly on the faces of various Labor Party people around this building the thought: ‘Quick, we’ve got to find a line about this budget. We’ve got to find something to say about it that will be credible, that will be plausible. We’ve got 48 hours before Kevin gets up in the other place. Find something for him to say.’ Some bright spark fished out some figures about productivity. ‘Yes,’ they decided, ‘We will make this all about how productivity has gone by the board under the coalition government.’

The interesting thing to note when talking about productivity is that it is a concept which the Labor Party has not spoken very much about at all for a very long time. Productivity is one of those terms that, if you go and check back in the Hansard and you use the search engine to find out when it has been spoken about, you will not find it mentioned very often at all. It is one of those things that the Labor Party almost avoids, because productivity is one of the issues that are often cited by business as a reason to restructure working environments. It has a certain distastefulness on the lips of the Australian Labor Party—a bit like profitability. If we think of productivity as being about increasing the outputs of Australian industry and business in relation to the number of inputs that go in, it is an issue which goes fundamentally to the way in which Australian industries, businesses and workplaces operate. On that score, I think the Australian Labor Party has a great deal of ambivalence about the way in which it approaches productivity.

The basic fact that the Labor Party cannot escape is that our record on productivity has been very good, and it is even better when it is compared with that of the Labor governments which preceded this one. In 2005-06, GDP per hour worked in the market sector in Australia grew by 2.3 per cent. That is a very solid record on productivity. In the December quarter just past, productivity grew by 1.4 per cent, seasonally adjusted. That quarter was, of course, affected by the changes brought about by Work Choices. We were
told that, after the introduction of Work Choices, people were going to lose conditions, people were going to lose jobs, and people were going to be falling over left, right and centre. In fact—along with the shibboleths that went out the window—we saw productivity grow in the Australian economy. Obviously, rates of productivity are a volatile issue. They do fluctuate up and down. We saw, late last year, the confluence of strong employment growth and a slower rate of real GDP growth, leading to negative productivity in the September quarter of the last calendar year. In the December quarter it picked up again, and that is a matter of record. Looking at a longer cycle, to get a better picture of what goes on, we can see that in the five years to 2003-04 labour productivity grew by 2.1 per cent per year on average. That is a rate of productivity well above the rate that prevailed during the 1980s.

On the question of productivity, the Labor Party are on very thin ice indeed. It is clear that they enter the debate with some temerity; in fact, they can only enter this debate by effectively refusing to talk about what they would do about this question. When it comes to advancing issues to produce productivity in the Australian community, Labor just do not have anything to say.

Let us look back over the last 10 years and ask ourselves, ‘What was the biggest industry-specific productivity issue that arose?’ We could talk about industrial relations, workplace reform, balance of trade and all those sorts of things, but what was the one industry-specific productivity issue that hit the Australian community in the face? It was, of course, waterfront reform. Everybody acknowledges that we had appalling productivity on the Australian waterfront. We have heard Senator Carr talk about the number of PhDs in Switzerland and fallacious comparisons like that. Efficiency and productivity on the Australian waterfront, up to the mid-1990s, was appalling. This government had to deal with that issue because the previous government simply did not want to address it.

Senator O’Brien—You reckon?

Senator HUMPHRIES—If you wanted to address it, why didn’t you address it?

Senator O’Brien—There was once one iteration of productivity growth.

Senator HUMPHRIES—I am very comforted to hear that it was once addressed by the former government, but the fact is: it was not addressed adequately. We had an appalling state of affairs with respect to productivity. This government confronted that issue. It was a painful issue, but we confronted it and we got better productivity. Where were you guys on that issue? What were you doing to advance productivity on the Australian waterfront? You were out to lunch. You either did not care about the issue or you were actually barracking for those who wanted to maintain the rorts and the inefficiencies on the Australian waterfront. I do not think that you can produce any examples, going back many years, of real attempts by the Australian Labor Party to produce real efficiency and productivity in the Australian economy. The fact is that what produces productivity is a flexible labour market; reform of key sectors like energy, water and transport; a strong focus on skills and education building; and good infrastructure.

To address Senator Carr’s point about education, I will give one statistic before I sit down. In primary and secondary education in Australia, enrolments have risen in the last 11 years by one per cent. That is because there have been low birth rates and there has been some drift into the non-government sector. There has been a one per cent increase in enrolments in government schools in Australia.
The ACTING DEPUTY PRESIDENT (Senator Murray)—Senator Humphries, do you seek leave to continue your remarks later?

Senator HUMPHRIES—I will make one more comment, Mr Acting Deputy President—

The ACTING DEPUTY PRESIDENT—Could you do so rapidly.

Senator HUMPHRIES—Funding for that sector has increased by 120 per cent. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Environment, Communications, Information Technology and the Arts Committee

Membership

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

Senator BRANDIS (Queensland—Minister for the Arts and Sport) (5.58 pm)—by leave—I move:


Question agreed to.

AUSTRALIAN LABOR PARTY

Leadership and Office Holders

Senator LUDWIG (Queensland) (5.59 pm)—by leave—I table an updated list of the shadow ministry.

LEAVE OF ABSENCE

Senator BARTLETT (Queensland) (5.59 pm)—by leave—I move:

That leave of absence be granted to Senator Stott Despoja for today.

Question agreed to.

Sitting suspended from 6 pm to 8 pm

BUDGET

Statement and Documents

Debate resumed from 9 May, on motion by Senator Minchin:

That the Senate take note of the Budget statement and documents.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (8.03 pm)—There was much fanfare and self-congratulation in this place on Tuesday night when the Treasurer handed down his 12th budget. We waited in anticipation: would this be a budget that would deliver on the big challenges of our time—climate change and water—a budget that would help struggling families, lock in access to health and education or make the tax system fairer? With more than $16 billion extra a year to spend, anything was possible. But what we got was a grab bag of cheques in the mail: $700 vouchers to parents to spend on tuition for their children; a $500 one-off cash bonus for most of the over-65s; $1,000 and $600 for carers; a childcare rebate of up to $8,000 cash—two years worth all at once; apprentices to get $1,000 to top up wages; $5,000 to move to where the jobs are; an $8,000 rebate for buying a solar photovoltaic unit; and a top-up of up to $3,000 for superannuation contributions. In fact, if you have a pulse, you will be likely to qualify for a windfall of some description. There were also minimal tax cuts for the lowest income earners and bigger cuts for those on middle to high incomes; very modest sums for Indigenous health and housing; a partial answer to poor dental services; tiny increases in childcare support, mental health and obesity; some handouts for farmers; $5 billion parked in a future fund for universities; and big spending on defence.

This budget has one purpose: to buy the Howard government’s way back into office
and to kill off what must be for the Prime Minister an unsettling rise in the polls for the Labor opposition. What an extraordinary place to be in Australian political history, and what an extraordinary opportunity it presented—an economy at full strength, low inflation, coffers overflowing! We probably have to go back to the gold rush to find a time when governments were rolling in so much money from mining and taxes. In the boom more than a century ago, the money was spent on major infrastructure—on rail and road networks, sewerage and water systems, town halls, universities, parliaments and ports—but not so in this budget. Even as the Treasurer beamed with self-satisfaction at his own largesse, there were plenty outside thinking: ‘Shouldn’t some of that serious money be spent on tackling the really serious challenges we face?’

Federal government revenue next year is set to reach a massive $245 billion, excluding GST. However, the rain over the last week or so does not necessarily signal an end to the crippling drought, personal debt has grown alarmingly, housing is less affordable and rates of obesity and alcohol use loom as huge costs to health. And, despite coal exports worth $26 billion a year, Australia’s foreign debt keeps growing. The budget papers predict that export volumes will be up by five per cent next year but—here is the rub—imports will rise by 6.5 per cent. Our current account deficit will reach $66 billion—a staggering six per cent of gross domestic product. If the country settles back into a pattern of extremely low rainfall, if another big storm wipes out a whole sector in agriculture, as it did bananas last year, and if oil prices keep going up—and they have almost returned to the highs of late last year—then the Reserve Bank would have to act. This budget assumes a growth rate of 3.75 per cent, consumer prices to rise by 2.75 per cent and wages to go up 4.25 per cent—all of which nudges us closer to an interest rate rise and disaster for those families who are up to their eyeballs in mortgage repayments.

In its indecent haste to bribe its way into office, the Howard government again failed to tackle Australia’s most urgent threat—climate change. The United Nations Security Council, the UK and Pentagon defence experts now say that climate change is a bigger security threat than terrorism and is more complex than the Cold War. So what did we get on Tuesday night? Defence got an extra $2 billion and land transport $22 billion, but climate change did not even rate $1 billion. It is in fact wagging a finger at the most menacing threat of our time. For all the fanfare, the solar rebates will put barely 15,000 PV systems on rooftops, and these will be completely swamped by new housing—housing that for the most part will have pathetically poor energy efficiency. Add to this Australia’s record for having the world’s worst energy standards for appliances and equipment and it becomes clear that the grants were headline catching but totally ineffective in dealing with the enormity of this problem.

Where were the triggers for big investment in markets for energy savings and renewable energy? Where were the policies that industry and business were pleading for? The World Bank estimates that $55 billion was invested directly in renewable energy in just three years. Renewable energy investment is growing globally by 50 per cent a year, but not in Australia. From a purely business perspective, this is a global market that Australia should not be missing out on. As one of the most wasteful countries in the world, we need to ramp up energy efficiency initiatives. It is shocking that Australians who want to do the right thing are being betrayed by cynicism and deceit: being told that cuts would ruin the economy and that only coal and nuclear can provide baseload
power. It is wrong and the government knows it. Yes, solar panel rebates are welcome, but this limited number will not solve the enormous problem we face. Fifty-three million dollars for stickers telling households how to save energy will not cut it either. The $170 million for adapting to climate change is in fact the white flag in this budget. It is easier to surrender than to act, particularly if your horizon is the next election.

Of course, the Howard government sceptics remain firmly in denial that catastrophic changes to our lives and our environment are upon us and will worsen unless we act now. One hundred and seventy million dollars will not be enough to adapt to the impact of climate change. In fact, the cost of adapting will be 20 times greater than the cost of taking action now to avoid the worst of it. But I am guessing the Howard government will have a road to Damascus moment as polling day draws closer. Its emissions task force will conclude that policies to lock in emissions cuts are required after all. The government will suddenly and resoundingly accept what the international scientific community has been telling it for years. It will swoop in just before the election with a multibillion-dollar handout for more so-called clean coal and nuclear reactors—perhaps even dam the few remaining wild rivers for hydro.

The reality is that this government believes that climate change is just another political problem like child care and dental health—problems that can be solved by funding just enough money to deliver a political advantage. But this is not every other problem; this is about the spectre of catastrophic climate change which may threaten our very civilisation. The Democrats, again, call on the Howard government to abandon political manoeuvring and to act now on climate change.

In every budget there is something that makes me really angry. This time it is a broken promise—a longstanding one to the Democrats and a recent one to Warren Entsch, other Liberals and to millions of Australians. Mr Howard has reneged on the undertaking he gave that this budget would recognise interdependent relationships for Public Service death benefits. Cabinet apparently knocked it back, saying it would increase unfunded superannuation liabilities by $2 billion. This is absurd. Superannuation liabilities increase all the time. In any case, what is the purpose of the Future Fund? The fact is that miserable and mean conservatives also opposed equality for women, the end of slavery and every other cause of the dispossessed and the disadvantaged. Mr Howard, if $2 billion is the price of equity, pay it. You have got the money—we all know it.

For years—decades even—Democrats have argued for long-term, sustained and sustainable commitments by successive governments to the nation state’s basic underpinning—its people and its land. From preschool to workforce entry takes nearly two decades. It is a very long time before you get a social and an economic dividend. Australia is paying for the coalition’s underinvestment in the last decade in the land—infrastructure, water, energy—and in our people: skills and making work worth while. There is supposed to be a labour shortage in this country. The crazy thing is that we have plenty of people available—combining the unemployed and the underemployed, over 1.5 million—but too many of these people do not have the skills or the incentives for the jobs that are available. To maximise productivity and skill creation you need a high level of sustained investment, and it has to be by governments. Productive investment needs long-term thinkers, not user-pays obsessives and hands-off economic rationalists. I think the coalition only woke up in the last year to the need
to invest in the supply side—in education and in skills and training of all types. How is it that a budget to answer Labor’s education revolution could exclude the TAFE sector? Mr Howard, we do need plumbers and electricians and it is good to give young people help to enter these worthy careers, but that is not all there is to fixing the skills shortages. What is left of manufacturing in this country needs brains, not brawn.

The other aspect of the skills supply side is making work worth while. That means tax reform. It is true that participation has lifted as effective marginal tax rates have lowered, but not nearly enough. Real wages have lifted, but again not nearly enough and at nowhere near the rate of increases in profits. It is true that there have been tax cuts for the last five budgets. It is true that the low-income tax offset lifts the effective tax-free threshold substantially, but what a complex system we have. It is no wonder that it is not a good motivator to get people into work. ‘You will pay X dollars of tax, but, wait, we will give you Y dollars back.’ For goodness sake, we say: do not tax these people in the first place.

We have always agreed that top thresholds and rates had to be cut, but not without first helping the lowest-income Australians to shift from welfare to work. But always, for the coalition, the wealthiest got theirs first. We understand the rationale. Tax cuts to richer people are often saved. Tax cuts to the poor are spent and can endanger the economy, overstimulating it when it is near full capacity, as it is now. That is why the Democrats argue for phasing in structural tax reform over the medium term. Raising the tax-free threshold to the poverty line of $12,500 would apparently cost over $35 billion over four years. But can someone please explain why we income-tax people who are below the poverty line? Tax reform needs a plan but Mr Costello has no income tax plan; he just has an annual show bag at budget time.

Thank goodness for elections. At least vote buying means that lower-income Australians get a slice of the $31 billion in tax cuts over four years, even if it is only $2.88 a week, which is $50 less than someone earning a quarter of a million dollars. Nonetheless we applaud the return of funds to taxpayers whose tax bills are increased each year by stealth through bracket creep, and whose pay packets have recently been cut by Work Choices. This is money owed to them, taken without notice and without permission by a system which forces working men and women into a higher tax rate even as their real wage remains the same or goes backwards.

We acknowledge the Howard government’s stewardship over a buoyant economy and the many positive things they have done, but they are unable to grasp the idea of eliminating bracket creep by indexing the tax thresholds, a position that is widely supported, not least by the Australian Chamber of Commerce and Industry. The Treasurer, it seems, does not get this essential equity principle. He expects praise for giving back tax revenue that he should not have in the first place. That is not good economic management. That is the Treasurer slipping his hand into pay packets and helping himself to more, while the government rolls in money, and the wages of many remain stagnant or go backwards. Had the 1980 lowest threshold of $4,041 kept pace with earnings it would now be about $15,000.

Any advocacy for struggling workers is incomplete without reference to those predatory IR policies which involve taking from the poor and giving to the rich. Work Choices is the poster boy of exploitative workplace legislators. The reality is that any money now being given back to low-income
earners as tax cuts is limited compensation for wages driven down by the poisonous Work Choices, a law which punishes those without power, influence or wealth. At a time of healthy surpluses and soaring revenues, this was the opportunity to make the tax system simpler, fairer and more transparent.

The Democrats say it is not good policy to maintain a system of tax churning by taxing lower-income Australians and then instigating a complex system of returning bits of what was taken at various later dates in the form of benefits. We call on the government again to lift the tax free threshold over time, so that low-income earners do not pay income tax until they get to $20,000 in earnings. This will take at least two million people out of the income tax system, the vast majority of them women and part-timers. So you want greater participation in the workforce? Try this one, and let us pay for reform by getting rid of welfare for the wealthy and rationalising inequitable, inefficient and outdated tax concessions. It is called base broadening.

The budget earmarked $5 billion for the Higher Education Endowment Fund from which it is intended will flow perpetual funding to universities for capital works and research facilities. The Democrats welcome extra funding for universities. They are simultaneously starved of funds by government and lauded as the places where Australia’s future lies. We welcome the boost for capital works and research facilities, but those buildings and facilities must be filled with students. Bricks and mortar and a lick of paint do not help students struggling to pay their fees and rent, or for their books.

We acknowledge the Howard government’s decision at last to extend rent assistance to Austudy recipients, a measure the Democrats have campaigned on for years. We acknowledge there are other student income support initiatives but they fall well short of what is needed. And equality of access to university education has been ignored. In fact this budget actively paves the way for more rich students by removing the cap on full fee paying places. We oppose this regressive policy absolutely. Why would we want to lock in a system of inherited privilege rather than merit and intellect as a pathway to university education? Poorer, brighter students will be crowded out in favour of those clutching a fistful of dollars or those prepared to burden themselves to a life of crippling debt. It is obvious that cash-starved universities will err towards full fee paying students. Already universities are flagging another rise in HECS fees for those business courses which copped financial cuts in this budget. The Howard government’s higher education policies are designed by zealots who do not care that some are already paying more than $200,000 for their degrees. It is policymaking which is elitist and divisive.

In this budget the government has tried to placate those families struggling with child care, but what is on offer will do little to solve the real problems. We are pleased to see the government is finally moving to fix the absurdity of the 30 per cent childcare tax rebate so that families will receive the money more quickly. This was criticised by us and many others at the time; waiting 18 months was not helping the families who needed it most. And we are pleased to see that low-income families are now eligible. But the childcare tax rebate is still inflationary and a poor response to the sector’s many problems. The Treasurer is talking up the ‘up to $8,000’ that families could now receive but of course that is for two years; at most it could be up to $4,200 a year but almost nobody gets that. In fact the average payment will $813 per child.

The 10 per cent increase in the childcare benefit on top of indexation will help low-
and middle-income families but it is a once-off. Childcare costs went up 12 per cent in each of the last two years. If this pattern continues—and we have no reason to think it will not—people will be in the same boat they are in now in 12 months time. It would have been good to see the level of childcare benefit linked to the real costs of child care on an ongoing basis. Nor did we see any acknowledgement of the difficulties in finding places for the under twos. More affordable care does not help if you cannot find a place for your child.

There is not much vision for early childhood care and education here despite our poor position internationally on funding for this area. There is no sign either of removing FBT for employer provided child care and nannies are still not brought into the system. We need to see a national long-term plan for reform of child care and of the way that we provide early childhood services. We need better staff-child ratios; we need improved training and qualifications for all childcare staff; we need mandated age-appropriate learning and development program and national planning controls to make sure centres and services are equitably distributed, including operational subsidies for some areas. And of course what is most missing is a national paid maternity scheme.

Australia’s 2.6 million carers will welcome the one-off bonus of $1,000 and the increases in respite funding. Nonetheless, this $341 million in handouts is peanuts compared to the $30 billion that family carers save the economy every year. The work that is done by carers often comes at great personal cost to their own physical and mental health, not to mention the pressure on their other relationships and the impact on their employment and financial situation. And what about the government’s commitment to people with disabilities? The response to the Senate’s unanimous report of a couple of months ago recommending substantial additional funding was obviously missing.

People may wonder who got the seriously big money in this budget. Well, let me now turn to defence. Defence gets another surge—this time to $2 billion, bringing the budget to $22 billion in 2007-08, with major new spending on mostly high-tech assault equipment like the $6 billion worth of Super Hornet fighter-bombers. Another $228 million is to be spent marketing the services as employers of choice. It is little wonder that this is needed when the treatment of returning men and women has been so shabby. All of this, and the money wasted on Iraq, may ingratiate us with President George Bush, but it is money that would have been better spent on climate change or on health and education or even on peacekeeping and good relations with our neighbours in this region.

Or let us for a moment imagine what a fraction of that money could have done for Indigenous Australians. The Democrats are extremely disappointed that, in a budget brimming with pre-election bribes and one-off handouts, so little for Indigenous people has been provided—even though this government has acknowledged time and again that they are the most disadvantaged and disenfranchised group in Australia. The failure to act on one of our most pressing national problems at a time when we can easily afford it is immoral. The most generous reading of the budget figures provides $135 million over four years, or less than $35 million extra a year, for Aboriginal and Torres Strait Islander people. These are the ones with a life expectancy of 20 years less than the rest of us.

The $300 million for Indigenous housing, while welcome, is likely to be wasted by the irksome conditions attached, like funding only houses that can be transferred to state
housing authorities or made available for purchase by individuals. Nobody is against providing more opportunities for Indigenous people to own their own home, but that should not be to the exclusion of other effective options. This appears to mean that Indigenous community housing organisations will only receive funding if they relinquish control of their housing stock. Despite the highly distorted picture the government has been presenting about the state of Indigenous housing, even the minister acknowledges that some Indigenous community housing organisations have been very well managed. A one-size-fits-all solution makes no sense in locations where the private home ownership market is unlikely to work. We can look forward to Indigenous people again being blamed for government failures. The statistics for health and housing for Indigenous communities show a sorry neglect. We challenge the Rudd opposition to bridge the gap in Indigenous health, employment and housing, and to do so without a paternalistic agenda.

To conclude: we looked for inspirational leadership to deal with the menace of climate change; we got dust thrown into a powerful and growing storm. We looked for tax reform; we got money returned to low-income earners from whom it should never have been taken in the first place and nothing to protect them from it being nicked again. We looked for childcare and school funding that would cut to the heart of the problems in those sectors; we got a spray of surgically enhanced early payments and subsidies. We looked for funding that would ensure all of our best and brightest would have access to university, regardless of their income; we got a fund that will improve the look of facilities but little to finance the students who populate them. And Indigenous Australians continue to be treated in the same shameful way they have always been treated.

This is a budget which cements old prejudices and bribes voters. Its centrepiece? Truckloads of money. It could have done so much, but actually did so little. Sure, the Treasurer threw back to us some of it and, like kids in a lolly shop, we are expected to scramble for our share. But you can bet your bottom dollar that we will all end up paying for it in a multitude of ways and in the not-too-distant future. If you missed Tuesday night’s budget, do not worry: there will be another: ‘2007 Budget: the Sequel’. Just before election day, another large stash of money will be found and another round of promises and spending will commence. And I am tipping that the sequel will be just as show-stopping as the first: a daring taxation robbery; a dramatic fight scene in which the key players alternatively fall away and then claw their way back; lots of special effects; and a winner-take-all scene at the end. But whether you will see reparations made in Indigenous communities, a lid on interest rates, a commitment to tax reform, access to higher education or a real response to climate change when you finally get out of the theatre remains to be seen.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (8.29 pm)—What a pity that the 36 of the 38 government members were missing throughout the presentation by the Leader of Democrats on this all-important budget night in reply here in the Senate. This year’s budget is more about greed than green. The Treasurer and the government have a huge ethical responsibility in spending the nation’s money and in ensuring its future. That ethical responsibility was not met in this budget. The massive tax cuts were for spending now. But the government failed in its higher responsibility to tackle the greatest threat to this nation’s future and to the lifestyle of our children and their children: climate change.
The Treasurer began his speech by saying that this country of Australia has changed a lot in the last 10 years. Well, it certainly has. It has got hotter, it has got drier and it has become more threatened by the arrogant failure of this government to address the environmental crises, and to make this country safer, more secure and happier for this generation and for the generations yet to come. The Greens have markedly different values and priorities from the government. The priorities for a Greens budget would include halting climate change, conserving water resources and protecting the environment, ensuring the 650,000 Australians on dental waiting lists receive the care they need, urgently funding measures to reduce the 17-year gap in life expectancy between Indigenous and non-Indigenous Australians, and of course increasing education funding to meet the OECD average education spending levels—where Australia should be, if not well in advance of that.

On climate change, security analysts from the Pentagon, along with ecologists and the world’s preponderant scientific opinion, know that climate change stalks our global community’s future more fearsomely and less discriminately than terrorism. With Tuesday night’s budget, however, came the dumping not just of Australian’s hopes but of Australian’s expectations that our government would at last tackle that climate change nemesis. The environment budget barely budged—just $281 million more, or two per cent of the unprecedented budget surplus of $15 billion. Yet the Intergovernmental Panel on Climate Change told the same Treasurer and the same government just last week that the world has less than 10 years to turn around the accelerating pollution of the atmosphere with greenhouse gases or we face catastrophic consequent changes for the planet, and that of course means for Australia.

Climate change is not a future event. It is here, now, with a monumental impact. That is why the Howard government budget outlines a $10 billion federal-state rescue plan for the Murray-Darling Basin, including the buyback of overallocated irrigation licences, which have left the rivers run down, incapable and stressed. Seventy per cent of the great red gums lining the river’s banks are suffering, dying or dead. But the Treasurer fails to act. Inexplicably, his plan for buyback of those excessive licences which are sucking the water out of the river systems does not begin until the budget of 2009-10. He has put it off for two more ruinous years. The Greens would immediately fund measures to address overallocation in the Murray-Darling Basin. We know, the farmers know and the public know that this cannot wait another two years.

The Treasurer, however, has decided on an immediate $31 billion in tax cuts over the next four years. This comes after the $25 billion largesse, including tax cuts to the rich, in last year’s budget. This year’s $31 billion, we are told, is for across-the-board cuts for salaried workers. Well, yes, it is, but the board is skewed. Once again, the rich get much richer at everyone else’s expense. In fact, 10½ per cent of people get 44 per cent of the money. Those on over $75,000, get the lion’s share. Those so poor they do not pay tax, including Australia’s 1.2 million pensioners, get a one-off $500 payment, and then after the election nothing. Carers, who save this government billions of dollars, get a meagre $1,000, and then after the election nothing. The budget is top heavy. Far from fostering a fair Australia, the big end of town is once again left clutching a big fistful of dollars. The Greens will support the across-the-board tax cuts, even though they are regressive. Unlike Labor, we will vote against the provisions for huge special cuts—some
$10 billion over three years for the highest income earners beginning next year.

With that $10 billion, we would move to make Australia the energy efficient nation. I doubt the Treasurer or the Prime Minister know what energy efficient means. They are so stuck on the much less effective, more expensive, more dangerous and, for now, unavailable option of nuclear reactors. Yet energy efficiency could slash Australia’s coal consumption by a massive 30 per cent. That would mean a rapid cut in greenhouse gas emissions in a way that dangerous nuclear power simply could not emulate. Already, Australia’s 250 biggest corporations, which effectively consume 40 per cent of our electricity, are doing energy audits. We would regulate to require that the audits’ recommendations be implemented. We would extend the auditing to the rest of business in Australia and to Australian homes over the coming years, offering government funding as needed to ensure that audit figures are implemented.

Environment Minister Turnbull’s $8 million allocation to change light bulbs will eventually reduce greenhouse emissions by four million tonnes per year—that is equivalent to taking eight per cent of cars off the roads in Australia. But handing out light bulbs is like handing out sand buckets during a bushfire. It is better than nothing, but it is no substitute for investing in the fire brigade. However, implementing the energy audits of those 250 big companies would save roughly 84 million tonnes, which is more effective than taking every single car, truck and bus off the roads of Australia. In addition, if all of Australia’s 5.5 million homes were fitted with a solar hot-water system, which is one of the cheapest ways most of us can substantially reduce emissions, another 23 million tonnes of emissions would be saved. Solar hot-water systems cost about $3,000 more than the old electric water heaters, but they pay for themselves through lower power bills within five to eight years.

These are just a few of the many untapped energy efficiency opportunities this country has but which are being missed by this government. The Greens want the government to bring in energy-efficient building codes and retrofitting, for example, with insulation of existing buildings for energy efficiency. The government budget allocates just $30 million per annum for solar panels. Look at that on the back of an envelope: $8,000 per roof means that just 3,750 roofs per annum will be fitted with panels—not enough to fit the roofs of Dubbo. So it would take up to 2,000 years to realise the aim of converting every roof in our sunny country to a mini power station. That is Howard hopeless.

The Greens will pursue real national action, not Howard government tokenism. In the absence of government action on energy efficiency, but with the tax cuts, let me give some advice on how Australia’s working families might combine the two. If a household spends one week’s worth of tax cuts on two compact fluorescent light globes then she or he can convert the $14 into $100 worth of savings, because one compact fluorescent globe saves around $50 to $75 in its lifetime. If a household takes the $14 worth of tax cuts for two years—that is, $1,500—she or he could spend $150 on a home audit and/or replace all the light globes at home with compact fluorescents, because a pack of five costs $20, and invest in insulation, which costs $1,000 to $2,000 for an average home, or solar hot water, which costs $2,000 to $5,000. This could save around $500 a year—hundreds of dollars off household power bills year after year into the future. So the invested tax cut is repaid to the household in three years and there is a $500 bonus year after year following that.
The Australian Conservation Foundation is calling for five per cent of homes to be retrofitted for energy efficiency each year, which means that within a generation all Australian homes will be energy smart. This should start with low-income and disadvantaged people and in particular target rental properties, which are usually the least well insulated. It is a proposal that the Greens urge the government—or, if the government cannot do it, the opposition—to take up, work out and implement.

Two other great opportunities would be grasped by the Greens. The first is to end the broad-scale logging and burning of Australia’s old-growth forests. This is destroying the nation’s wildlife and needlessly polluting the atmosphere. There are 1.5 million hectares of plantations in Australia. That is more than enough to supply all of Australia’s wood needs for paper, home building and furniture making. But Prime Minister Howard’s commitment, echoed by opposition leader Rudd, is to keep needlessly cutting and burning Australia’s biggest carbon banks: its old-growth forests. That has to be altered and the logging and burning of forests committed, like whaling, to history. It is extraordinary that the budget has $197 million to begin the task of ending the slash-and-burn logging of the forests of Indonesia, but in the last two years $100 million has been spent on forest intensification, logging and burning, of the great forests of Tasmania to the south. The second opportunity the Greens would grasp is to transform Australia from being road dependent to using rail and sea transport for freight, with fast, clean and efficient public transport systems. One small component would be to abolish the GST on public transport, thereby cutting ticket prices on rail, bus, tram and ferry passenger transport by an immediate 10 per cent.

Summing it up, with good regulation and part of the $10 billion tax cuts for the mega-rich diverted to a national energy efficiency program, Australia could indeed make deep cuts in its infamous greenhouse gas emissions—as much as 30 per cent. We could go from being the worst polluter amongst the developing countries to the most advanced, cleanest, most efficient, most job prospective, most export oriented, resource renewable, energy efficient, ecologically transformed nation.

Contrast that with what the government has proposed. Just yesterday it was joined by Labor in voting down a Greens motion to end the logging and burning of Australia’s old-growth forests and wildlife habitat. Acting Deputy President Troeth, you will remember that this morning both parties voted down Senator Milne’s motion to back global scientific opinion that, to prevent catastrophic climate change, we should aim to keep global temperature rises to two degrees Celsius or less. Into that prescription read: the coal industry, with its puppeting hands over the big parties. We could not even philosophically aim for a target that the world scientists say we must aim for if we are going to avoid catastrophic change. When I say ‘we’ I mean Labor and the coalition. The Greens would put that aim absolutely on centre stage and achieve it in the interests of our children and the grandchildren of Australia.

An unfortunate reality is that there will be more natural disasters in our region. The tsunami in 2004 showed all Australians how vulnerable we are. The scientific consensus is that climate change will result in more, and more destructive, cyclones, bushfires and epidemics. Australia needs to be ready to react more quickly and more effectively to natural and man-made disasters in our region. Tonight I renew the Greens’ call for a disaster relief centre for the nation which has the capacity to deploy people, equipment and aid to those in need inside and outside our country when disaster strikes.
The Japanese had a team of doctors and nurses on the ground in Indonesia within 24 hours of the tsunami. The French had aid in New Orleans within a day of Hurricane Katrina because they had predeployed materials in the Caribbean for exactly that purpose. The one thing preventing Australia from having such an international, regional and domestic relief centre is political will. I am ashamed that, when a ferry sank in neighbouring Indonesia’s waters earlier this year with the catastrophic loss of some 500 lives, this government did not pick up the phone, did not offer assistance. That is something we must redress, and having a national and international relief centre may well do that where that political mind is closed and the political will is missing.

On the topic of our responsibility to the region, the Greens believe that Australia should immediately increase our aid budget to the 0.7 per cent of GDP recommended by the UN. That recommendation, which we agreed to, goes right back to the beginning of the last decade. Australia is a rich country and we can afford to show leadership on such an important humanitarian matter. Instead, the government’s budget affords the poverty-stricken billions of our shared world only half of that target commitment.

The government continues down the path towards an American style two-tiered health system. The Greens would abolish the health insurance rebate scheme and divert that $3 billion into the public health system instead. The current scheme serves the nation so badly that the taxpayer top-up for this private, exclusive system blew out by $283 million last year. That comes from the taxpayers and it is more than the entire extra spending on the government’s environment budget for 2007-08.

The Greens policy is to have a ‘denticare’ system paralleling Medicare. No Australian child or adult—to paraphrase someone else—should live with dental caries by 2010. Yet this government torpedoed the $100 million concession card holders dental care program back in 1996, its first year in office, and now there are an estimated—can you believe this?—650,000 Australians on dental waiting lists. Some elderly or disabled citizens wait two to three years to have their dental problems cared for. That is unforgivably heartless and a dereliction of duty by a government with a $15 billion surplus it has trouble spending.

Childhood obesity is estimated to cost Australia tens of billions of dollars in the coming decades as record rates of diabetes and heart disease debilitate our children and our children as adults down the line. In the Senate right now, the Greens have an amendment to the food standards act that would see all food advertisements banned during children’s viewing hours. However, the government has failed on this issue, and its failure is difficult to fathom. When it comes to the $4,000 that new parents get, young mothers are not allowed to receive the lump sum because it is feared that they might spend it all on televisions and cigarettes. But when it comes to junk food advertising—you have to look for the unseen hand of the big food corporations here—we are told that it would be patronising to suggest that parents are not in a position to decide what to let their children eat. The costs of junk food and obesity, like the costs of climate change, will dominate public debate in the coming decades. If we took decisive action now—and it appears this government will not—we would not just save money; we would save lives and raise the wellbeing of the nation for decades.

Only two years ago, the government was in the midst of another reaction to public fear in the form of bird flu. While the media may have lost interest in bird flu, the world’s epi-
demiologists have not. The threats to Australia, and to the rest of the world, remain as high as they were in 2005. A recent report from the Lowy Institute found that even a mild pandemic influenza outbreak would have significant consequences for the global economic output. In this scenario, it predicts that there would be 1.4 million deaths and that approximately a third of a trillion US dollars would be shaved off the global economic output. Yet the government has not allocated any new funding measures to this threat in the budget. Where is the public education campaign to sensibly prepare Australia for a bird flu pandemic which could leave not 180 but 180,000 citizens dead? Instead of funding such public preparedness for an epidemic, Mr Howard is infamously diverting up to $60 million to explain his so-called Work Choices backflip. This inverse priority is staggering and politically corrupt.

Aboriginal health and housing is grossly underfunded and misdirected in this year’s budget. It will not go anywhere near far enough to address the 17-year life expectancy gap between Aboriginal and non-Aboriginal Australians. The focus of the government’s budget measures is on regional and remote communities—and no doubt they deserve much more funding. However, the majority of Aboriginal Australians live in urban communities where their life expectancy is just as bad as those in remote communities.

Health experts agree that $500 million per year is required to lift Aboriginal health standards to those of non-Aboriginal Australians. Taking this figure, Tom Calma, the social justice commissioner, has proposed a plan to address the gap in life expectancy within a generation. The Greens back him. It is appalling that rather than $500 million this budget allocates only about $30 million per annum to this nationally urgent responsibility.

A further $2.3 billion is needed to catch up on housing levels, but the Costello budget actually takes money away from Aboriginal housing in urban areas, focusing on remote and regional areas. Having taken the funding from urban Aboriginal housing, the government has done nothing to ease housing affordability, leaving the majority of Aboriginal Australians worse, not better, off. Despite recent international attention on Australia’s record as the worst in the developed world on Indigenous health and development, the government has yet again failed to deliver on meaningful reform. The blinkers are on, the eyes are down and the back is turned on the first Australians.

The Greens’ goal is for public education to become a full-time, not just a pre-election, priority for the federal government. Treasurer Costello’s budget was big on headlines but notably short on a plan to bring public education investment and outcomes up to world’s best standards. That would need $7 billion more in annual spending. The Treasurer’s $5 billion, one-off trust fund for universities will provide less than $400 million per annum—seriously short of 10 per cent of the required investment for Australian education to catch up with that of similar countries around the world.

The Greens call for the needed $7 billion dollar boost in public education from the Commonwealth. It is a national investment plan from preschool to university. It starts with building public preschools, paying preschool teachers a fair wage and guaranteeing two years of free public preschool to every Australian child. That is what is required. That is more than Labor committed to tonight. But let me praise Labor for the commitments made tonight by the Leader of the Opposition, Mr Rudd, after so many years of serious neglect and decline in the funding of Australian education by the Howard government. There is no single more important
and far-reaching education measure that the nation’s government could take than providing much more funding for early childhood education.

The Greens also recognise the vital importance of TAFE not only to the skilling of our nation but also to social and community infrastructure. Not a single extra penny was spent on TAFE in this budget. The Greens would return funding to 1996 levels in real terms, $750 million, and work towards returning TAFE to permanent staffing, so ending this government’s cheap casualisation of the TAFE workforce.

In this week’s budget another step was taken towards the university sector being privatised and Americanised by this government. The Greens would abolish HECS and full-fee degrees, boost core funding for universities per student, and realise the aim of accessible, high-quality, equitable public education for all Australians. This would have been easily achievable had Mr Costello thought education was more important than the $55 billion in tax cuts of the last two years.

The Australian Greens will go to this year’s election offering a much more far-sighted plan for Australia than either the coalition or Labor. Besides our priorities for public health and education, we would keep Australia’s uranium in the ground and not in nuclear reactors in Sydney, Beijing or Mumbai. Unlike Labor and the coalition we would get the chainsaws and firebombers out of Australia’s great wild forests. And, unlike the coalition and Labor, we would prioritise clean energy efficiency over the expansion of coal-fired power stations in Australia and coal exports to the rest of the world. We all share the same atmosphere wherever that coal is burnt.

The Greens would move not just the dollars but the philosophy of this nation. We are the values party and so would implement triple bottom line accounting—budgets measuring and allocating not just the nation’s wealth but also its social and environmental wellbeing.

Prime Minister Howard still thinks politics is a fight between the economy and the environment. It is not. World’s best practice shows that good environmental policy is fundamental to good economic policy. You cannot plan Australia’s future, let alone ensure intergenerational equity, if you do not guard its environment. The Greens’ regard for Australia is wider, longer and deeper than this old Howard view.

Ten years ago, coalition senators laughed at me in this chamber when I warned of the dangers of climate change. They are not laughing now. Ten years from now, this nation will be transforming. To do that, it needs a different hand at the helm. My job, our commitment as Greens, is to accelerate that transformation. Long after this week’s tax cuts are forgotten, the program I have outlined tonight on behalf of the Greens will remain part of the prescription for a new, safer, more responsible Australia in the 21st century.

Senator FIELDING (Victoria—Leader of the Family First Party) (8.57 pm)—Family First welcomes initiatives that are good for Australian families and is pleased the government has provided some help for families in this budget. But this budget is a budget of missed opportunities for the Howard battlers. The Howard battlers are the Australian families in the outer suburbs and regional areas who are struggling to make ends meet. They are families reeling from soaring petrol prices as well as increasing grocery costs and electricity and water bills. The government has missed its opportunity to provide real relief to these Australian families where they need it most—at the petrol pump.
The government has also missed its opportunity to provide real relief to Australian families with respect to child care by giving all families genuine choice about the type of child care that best suits their needs. The way to do that is to treat all parents the same instead of giving a lot more to those who opt for institutional child care. If families want their children to be cared for by a grandparent, friend, neighbour or nanny in a family home, why should they miss out? Give all parents the same benefit and then let them be the judge of who is best to care for their children.

This budget of missed opportunities for the Howard battlers confirms that the Prime Minister has failed the families who have put their faith in him. This is a budget that puts the market first, that puts the market ahead of families. It is a budget that looks at the child-care issue through the lens of how we can get more mothers into the paid workforce. Instead, we should be focusing on what is best for our children and what is the best we can do for all parents so they have genuine choice about whether to stay at home or enter the paid workforce.

Let us turn to petrol, an issue the government has turned its back on, despite the fact that soaring petrol prices are crippling Australian families. Only this week, a survey of more than 5,000 families revealed that one in every three families declared high petrol prices as their main challenge when trying to make ends meet. For a year and a half Family First has been calling on the government to cut petrol tax by 10c a litre, which the Prime Minister yesterday said would cost $2.8 billion. The government’s stubborn refusal to cut petrol tax again shows how out of touch it is with families in the outer suburbs and in regional Australia who are today paying up to $1.40 a litre for petrol. Family First will continue its campaign, because cutting petrol tax is affordable and common-sense, because it provides real relief to families and small businesses and because it takes pressure off inflation and interest rates.

Now consider the much debated childcare issue. The Treasurer trumpets how the focus of the government’s childcare policy is to get mothers back into the paid workforce. ‘It is very important to encourage mothers back into the workforce,’ he said. Not only does this remark devalue the role of stay-at-home parents, who are very much part of Australia’s workforce, albeit not paid; it is revealing that the government’s No. 1 focus is on serving the needs of the market, as opposed to serving the needs of our kids. The key question is not ‘How can we get more mothers back into the workforce?’ but ‘What is in the best interests of our children?’

Family First supports parents returning to work if that is what they want to do, but childcare policies must be driven by the interests of children, not of adults. We need childcare policies that are family friendly, not market friendly. While the government has provided more money for child care, it has failed to reform a flawed system that benefits only parents who opt to send their children to institutional child care.

Family First regrets that a government that claims to be pro family still refuses to give families real choice by giving all families the same funding, even if they do not opt for institutional child care. It is a fact that many Australian parents prefer to look after their own children, particularly when they are young, or to entrust their child to a family member or friend in a home environment rather than to a childcare centre.

Parents who send their children to childcare centres can claim childcare benefits of up to $7,500 per child per year, while also pocketing up to $4,000 per child per year in childcare tax rebate. But if parents prefer that other people look after their children in a
family home—say, grandparents, the next-door neighbour, a close relative or a friend—they can only claim up to about $1,300 per child per year and they are denied any childcare tax rebate. It is a big difference—a huge difference, in fact. Enrol your child in a market-friendly childcare centre and you can line up to claim your financial bonuses, but bypass the commercial option and have your child cared for by a friend or a grandparent in a family home and you will miss out. The government is providing a clear financial signal as to where its priorities lie: for the Howard government, the market always comes first.

It is also fascinating how the government’s childcare system is so focused on helping middle- to high-income professional couples, certainly not the Howard battlers. How many Howard battlers can really afford to pay large out-of-pocket expenses on child care in the first place to get the rebate? The childcare tax rebate assumes families can afford to pay these expensive out-of-pocket childcare expenses up-front. To claim the maximum $4,000 rebate, parents would have to be spending about $12,000 a year in out-of-pocket expenses. Most families that my wife, Sue, and I know would struggle to find just $500 for out-of-pocket expenses. How many Howard battlers can afford that sort of money?

Let us turn to other aspects of the budget. Family First welcomes the additional funding to fight illicit drugs but is disappointed there is no extra funding to tackle the $7.6 billion alcohol toll. Australia has a culture of binge drinking, and alcohol is second only to tobacco as a preventable cause of death and hospitalisation in Australia. Furthermore, 40 per cent of police resources are tied up in alcohol related problems. Australia has tackled the road toll, the drug toll and the tobacco toll. We are well overdue on tackling our alcohol toll.

Also, Family First believes the government missed opportunities to genuinely help the Howard battlers by lifting the tax-free threshold for all taxpayers from $6,000 to $8,000 this year, rising to $13,000—equivalent to subsistence income—in future years as the budget allows. Family First regrets that the government did not provide a further increase in the tax-free threshold of $1,000 for each dependent child.

Finally, Family First condemns the government for failing to provide any budget money to upgrade the Princes Highway, ignoring the greatest need of families in south-west Victoria. The budget listed the Geelong bypass, the Calder Highway and the Pakenham bypass for funding, which is welcome, but did not allocate one cent to the Princes Highway. It is ludicrous that the main route from Melbourne to south-west Victoria and South Australia, which provides trade, transport and tourism, is not considered a road of national significance.

This budget is an attempt to buy votes but a budget of missed opportunities for the Howard battlers.

Debate (on motion by Senator Colbeck) adjourned.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Marshall)—Order! I propose the question:

That the Senate do now adjourn.

Motor Neurone Disease

Senator BARNETT (Tasmania) (9.07 pm)—I stand tonight to acknowledge Motor Neurone Disease Awareness Week and to pay tribute to the 1,400-odd Australians who have motor neurone disease. Motor neurone disease is a rapidly progressive and fatal disease that can affect any adult at any time. The cause of motor neurone disease is unknown. There is no known cure. Tonight I
want to pay tribute to the Australians with motor neurone disease, the families and carers of those people with motor neurone disease and the various motor neurone disease associations in the various states and territories of our great country.

In doing so, I would like to place on the record that my father had motor neurone disease and my family has for many years been involved in various associations, particularly and specifically the Motor Neurone Disease Association of Tasmania, of which I was president for a number of years, and I was also on the national board of the Motor Neurone Disease Association.

As I said, I want to pay tribute to those with this disease and their families and carers. In doing so I would like to outline to the Senate and place on the record some of the attributes of the disease and highlight some of the challenges that the families and carers of people with motor neurone disease and, indeed, the people with motor neurone disease have in Australia and around the world.

The life expectancy for most people with MND is just two to five years. Around half will die within 14 months of diagnosis. The incidence is the number of new cases of MND each year. There is no accurate measure of the incidence of MND in Australia, but there is an estimate that it is one in 40,000 or 2.44 in 100,000. The prevalence is the number of people who are living with MND. The prevalence of MND is approximately one in 15,000 people or seven per 100,000. As I said, there are currently an estimated 1,400 people living in Australia with MND.

In short and in summary, every day in Australia someone dies with motor neurone disease and another person is diagnosed with that same disease. In 2004-05, 507 people died with MND. In 2005-06, 445 newly diagnosed people registered with the MND associations. World figures say that there is an incidence of around two per 100,000 and a prevalence of six per 100,000. That is as at 2005.

MND occurs in all countries, usually in people over the age of 40, and more often in men than in women. But there are cases of younger people being affected. The peak ages of onset are in the 50s and 60s. MND leaves people unable to walk, talk or feed themselves, but the intellect and the senses usually remain unaffected. People with MND can still think and feel, but their muscles refuse to work. The senses, intellect and memory are generally not affected.

Motor neurone disease is the name given to a group of related diseases affecting the motor neurones or nerve cells in the brain and spinal cord. As the motor neurones gradually die, the muscles stop working. Motor neurones are nerve cells that control the movement of voluntary muscles—that is, muscles that are under conscious control. These include all of the muscles of the trunk and limbs and those of speech, swallowing and breathing. So you can understand the challenges facing people with motor neurone disease and the difficulties that lie ahead of them following diagnosis.

MND is a progressive, degenerative disease of the motor system occurring primarily in middle age and causing muscle weakness and wasting. With no nerves to activate them the muscles gradually weaken and waste, and paralysis ensues. Weakness is often seen first in the hands or the feet. The first sign may be difficulty with swallowing or slurred speech. Muscle twitching and/or cramps may also occur.

There are three clinically distinct forms. The first is amyotrophic lateral sclerosis or ALS, as it is referred to in the United States. In the US it is also referred to as Lou Gehrig’s disease—Lou Gehrig was a famous
baseball player. The second is progressive muscular atrophy and the third is progressive bulbar palsy. Some forms of MND are familial—that means they are inherited. In fact, in about 10 per cent of cases of people with MND that is the case. There is also a sporadic version and that is more common. That is the cause in 90 per cent of the cases of people with MND.

MND affects each person differently in respect of initial symptoms, rate, pattern of progression and survival time. There are no remissions. As I have indicated, the average survival time after diagnosis is two to three years or less, with a few people surviving five years or more. There is only one drug available currently in Australia and around the world. It is called Riluzole, sometimes called Rilutek. That drug has some measurable effect on MND, but its benefits are limited. It is the first effective treatment for people with MND and it can be prescribed by a neurologist or GP. It may extend a person’s survival time by an average of nine to 12 months and, indeed, slow the progression of the disease.

Progression of MND can be rapid, creating high levels of disability and consequent needs for support. The support needed includes assistance with feeding, communication, movement, transferring, toileting and daily activities along those lines. It certainly has a comprehensive impact on one’s life. A key feature of the disease is the speed of progression, which creates huge adjustment problems not only for the people with the disease but also for their families and carers. It causes a loss of independence, employment relationships, communication, social life and future plans. Only last week SBS ran a very interesting and moving story about a person with MND and his family and their fight and challenge to cope with the disease.

Unlike for cancer, heart disease and AIDS, there is little advice health promotions can give to reduce a person’s chances of being struck down by MND. It can strike anyone at any time. It is for this reason that ground-breaking research is being conducted around the world, particularly on some forms of stem cell treatment, and this has been heralded as the best chance of a cure.

MND was first described in 1869 by French neurologist Jean-Martin Charcot. Interestingly, the first motor neurone disease awareness campaign was launched on 23 March 1999, by the Hon. Dr Michael Wooldridge, the then Minister for Health and Aged Care, as part of Motor Neurone Disease Awareness Week. Dr Wooldridge said that the new awareness campaign would help the community better understand how motor neurone disease affects those who have it and their families and carers.

In May last year Tony Abbott, the Minister for Health and Ageing, announced that the Australian government would provide $22 million over four years towards establishing a national adult stem cell research centre. He said that the funding would be dedicated to innovative research, particularly into Parkinson’s disease, schizophrenia and motor neurone disease.

I want to tonight pay tribute to the motor neurone disease associations around Australia, especially to Helen Sjardin-Howard, the national president, and to Carol Birks, the national executive director of the MND Association of Australia. I want to also pay tribute to Mavis Gallienne, a current board member and former president whom I worked with many years ago, and a tribute to Kevin Langdon, former president and currently patron of MND New South Wales.

The global awareness day is coming up on 21 June, and the national MND conference is being held in Perth on 19 June. I want to pay
tribute to Bill Braithwaite and Tim Hynes, who are the current president and former president of the association in Tasmania. I want to pay tribute to my mother, Lady Sally Ferrall, who is patron of the association in Tasmania and demonstrated great courage and determination during a very difficult time when my dad had motor neurone disease over a three-year-period.

I pay tribute to Rod Harris, the chairman of the international ALS/MND association. It is a great credit that an Australian leads such an association. He is currently the executive director of MNDA in Victoria. I also pay tribute to Karen Brookes in Launceston, who has MND and is travelling to China soon for stem cell support. Finally, I pay tribute to my wife, Kate, who is a member of the state executive of the association in Tasmania. She is a speech pathologist and does so much work for the association and for people in Tasmania.

I should also mention Dr Paul Brock, who appeared here in Parliament House just last year on 21 June, International Motor Neurone Disease Awareness Day, and gave a tremendous address on the difficulties of living with motor neurone disease. I pay tribute to all those Australians with the disease and to the associations and their members, who support people with the disease, their families and their carers.

Assistant Commissioner Audrey Fagan

Senator LUNDY (Australian Capital Territory) (9.18 pm)—I wish to pay tribute to Audrey Fagan, Australian Capital Territory Chief Police Officer, and to recognise not only her achievements and work but also her personal worth and quality. Audrey died on 20 April in lonely and tragic circumstances. A sensitive person who felt problems personally, she faced the stresses of the high demands she placed on herself. Her job was difficult, certainly, but she appeared to cope successfully as a respected leader in what has been described as a tough and still male-dominated profession. She was accountable in two or three different arenas: the Federal Police, headed by Commissioner Keelty; the Australian Capital Territory government and Minister Simon Corbell; and the federal Minister for Justice and Customs.

Audrey’s loyalty to and support of her officers may have made her feel targeted in recent local media criticism of the police, especially following an incident of sexual abuse and the tragic death of Clea Rose, who was hit by an underage, unlicensed driver in a stolen car being pursued by police in Civic. That inquest re-opened this week. Maybe the very fact of being regarded as a role model and mentor to so many placed a burden on her too. She had to live up to so many expectations. We may have expected her to be a superperson, and such expectations can place a too heavy burden. We simply do not know what stresses prompted such despair.

Friends describe an outgoing, outdoorsy young woman who was physically adventurous and yet was always ready to patiently help a beginner less skilled at, for example, scuba diving. In her time on Christmas Island from 1986 she loved swimming, boating, diving, playing golf with women of all abilities and levels and joining in the fun of the island’s social life. More recent interests included rowing and gardening. Everyone particularly remembers Audrey’s smile. She was always approachable, friendly, helpful, inclusive and unassuming. Audrey’s sensitivity would have been a great asset to the police force. As a friend has described her: you could not not like her. As a young mother, Audrey was also very proud of her daughter, and it is obvious that Clair merits her mother’s pride.
In its motion of condolence on 1 May, the Australian Capital Territory Legislative Assembly expressed:

... its deep regret at the death of ... a dedicated, popular and experienced police officer of the highest calibre who contributed greatly to the development of ACT Policing and the AFP and was a great role model for women within the organisation.

Many such acknowledgements have been made of the role model Audrey was for young women generally and not only in the police force. In fact, she was a great role model for all police officers under her command, not only the female officers. Audrey’s contribution to public life and her many achievements were outlined by Commissioner Mick Keelty in his valedictory and in the many other tributes. Her career spanned so many areas of service, from its beginning in 1981 with the Federal Police protective service branch to general policing and then to the Juvenile Aid Bureau, where her professional and sensitive approach began to attract positive comments.

Further experience in community policing in Canberra and on Christmas Island, experience in fraud investigation, criminal investigation, as a detective and then, in 1992, with the Internal Investigations Branch, as well as work with personnel, training and industrial relations sections, rounded out her broad career experience. At one stage, according to Mr Bill Stefaniak, Leader of the Opposition in the Australian Capital Territory Legislative Assembly, she was the only female detective in criminal investigations, and as such was assigned to sexual assault cases. In these cases, and in all her cases, she built a good rapport with victims and witnesses.

From 1995, Audrey’s was a familiar face here at Parliament House. In that year she became the police liaison officer to the then Minister for Justice, Duncan Kerr, and she continued in this role after the change of government in 1996. Former Senator Amanda Vanstone, for whom she also worked in this role, has paid tribute to her—remembering, as everyone who knew her does, that wonderful smile. In 2004, Audrey Fagan was promoted to the position of Deputy Commissioner of the AFP. Also in 2004, she was awarded the Australian Police Medal for her work in protection and counterterrorism and for the successful integration of the Australian Protective Service into the AFP. In 2005, she was appointed as Chief Police Officer of the ACT. Gaining honours and high positions did not affect the way she related to people. She was always welcoming and friendly and always able to make time for people.

Audrey’s leadership skills, her mentoring and work with the Women in Law Enforcement program, and her community work in and for the ACT will always be remembered. The ACT Minister for Community Services and Minister for Women, Katie Gallagher, spoke of her work with the ACT Ministerial Advisory Council on Women, especially in the area of prevention of violence against women. I was pleased that the ACT Chief Minister has announced that the ACT government will establish, in consultation with her family, a scholarship in Audrey’s name, in a field that was Audrey’s passion. While details are yet to be finalised, it may be that this will be a scholarship to encourage further study and further professional development for Canberra women working to provide professional or social support in areas such as domestic violence or victim support or in allied health areas.

As patron of the Canberra Rowing Club, which Audrey had recently joined, I endorse the tribute from the president of the club, Mr Brendon Prout, who described Audrey’s great promise and tenacity and, of course, her smile, which was ‘a constant around the rowing shed’.
Environment

Senator FIELDING (Victoria—Leader of the Family First Party) (9.24 pm)—With 16 children, the Fielding family was always conscious of the value of money. My parents, George and Shirley, encouraged us to work hard and save money, to take personal responsibility and care for our possessions, and to not waste things. That was the only way my family could make ends meet. These are values Australians have been brought up with, although they have been greatly undermined by our society’s hyperindividualism and hyperconsumerism. These values underpin Family First’s approach to the environment. Family First is passionate about caring for Australia’s environment. Let us never forget the reason we are so passionate about protecting our environment: to preserve it for our children and for future generations to enjoy.

We need to adopt common-sense policies that strike the right balance between maintaining our prosperity and providing more jobs for more Australians while ensuring that we protect our natural environment and wisely use our precious resources. Too often, debate on the environment forgets the family. Too often it involves highbrow discussions of things quite removed from the everyday realities of families, such as carbon trading, geosequestration and renewable energy targets. For an everyday family man, this type of language makes the issues even harder to understand, and many of us cannot relate to it, because it is the language of experts—real and so-called. I think it is important to point out that, while green issues now dominate our news pages almost daily, environmentalism is not new. When I was growing up, I remember constant talk about pollution and ways to reduce it. We adopted common-sense approaches which are used by most families today: habits like turning off the lights when you leave a room; not letting taps run when you clean your teeth, sharing a bath, keeping showers short—especially when there are 16 queuing up—keeping heating to a lower temperature and putting on a jumper. These are still common-sense and good ways that families can save both money and the environment.

Since my childhood, great strides have been made to reduce pollution, to make our rivers cleaner, to take the lead out of petrol and to recycle rubbish. But we all know that is not enough, that we need to keep doing more, and that the challenge today is even greater. Families have a key role to play, as do big business and small business, unions, community organisations and, of course, our elected leaders in this and other parliaments as we face the problems of climate change and drought. It is worth noting that households account for less than 10 per cent of greenhouse gas emissions. The bulk comes from other sectors: electricity, gas, water, agriculture, forestry and fishing. So we need to work with those industries to reduce emissions in a way that does not threaten businesses or Australian jobs and does not push families to the brink—as many families are already finding it hard to make ends meet.

We must never forget the need to create more jobs for more Australians, as that gives families peace of mind so they can plan for their future. Family First supports Australia’s coal and aluminium industries and their workers. They are vital parts of our economy and employ thousands of Australians. Family First also supports the Kyoto protocol, as its aim is to reduce greenhouse gas emissions. But, if Australia is to agree to further targets, it is vital that we do our homework first; in other words, we must examine any future targets in light of hard data and solid evidence about potential impact on jobs and the livelihoods of everyday Australians. This is
common sense and will ensure that we get the balance right.

The government has so far resisted further targets, while the opposition has set ambitious targets before determining the cost and impact on Australians. Australians want a balanced and common-sense approach to the environment and to issues like global warming and the drought. They want sensible solutions, they want to know the pros and cons, and they want to know how they will be affected. Any politician can pluck a figure out of the air—declare a target and say, ‘This is what we must reach,’ regardless of the consequences. But that is irresponsible. Let us not forget that the government of the day has the responsibility and the resources to undertake a study on behalf of Australian families to get the facts to guide us through a very difficult issue.

There is talk about setting up an emissions trading scheme for Australia, and Family First believes we should have that debate. But we should not forget that markets do not always serve families well. It is worth while studying the issues paper of the Prime Ministerial Task Group on Emissions Trading. That document sets three criteria for success. It says any solution should be environmentally and economically effective and politically acceptable. Sadly, the document does not mention families—not once. Families are ignored in the environment debate, even though the reason we are so passionate about protecting our environment is so that our children and future generations can enjoy it. Family First is concerned about the negative consequences of an emissions trading scheme, or even a carbon tax, which may result in the loss of Australian jobs and higher prices for families. We have to get the balance right. Families are already struggling to make ends meet, with soaring petrol and grocery prices, yet they would have to pay more for their electricity bills, and possibly other bills, like water as well. That is a solution that only the well-off would propose.

Water is the other major environmental issue. A total of 70 per cent of water use is accounted for by irrigated agriculture, so we need to ensure farmers use water more efficiently without threatening their livelihood. The last thing we want to see is farmers and our next generation of farmers walking off the land. There are good arguments that we can save huge volumes of water by investing in agricultural infrastructure to make the water systems more efficient. Consider how governments are dealing with the water crisis—frequently with market-based solutions like water markets. Often prices for water are increasing, putting pressure on family budgets. Governments are also offering rebates for good initiatives, such as installing water tanks. But of course, to ensure a good supply of water, families have to dig deep into their own pockets as well, and many families simply cannot afford to do so. Water tanks are great, but shouldn’t governments be using taxpayers’ money to build new dams or other major infrastructure projects or to cover the full cost of alternatives like water tanks?

Family First believes that families are becoming the victims of cost shifting, where governments are not meeting their obligations to provide essential services like water but are encouraging families to pay more themselves to solve the problem. These policies might be fine for middle- to high-income families who may have spare cash, but they are not suitable for families in the outer suburbs and regional areas who are struggling to make ends meet. Family First is uneasy with the concept of water markets. What happens to farming families when they sell their water and their land is separated from water? Does the trading of water rights undermine the family farm? Does it mean that big business farms that can afford to buy water will survive while family farms will
not? Water markets can mean that small business farms can lose out to big business farms which have more cash to pay for this scarce resource.

Family First believes that we should look at our environment as a precious resource which we must look after. The environment is there to serve us but we must not abuse or exploit it. However, we must ensure that concern for the environment is not simply an excuse for passing costs on to families. It is the role of government to provide basic services and infrastructure. That is what families pay taxes for. Other approaches slug lower income families the same as higher income ones, which is unfair. Australia is not alone in confronting serious environmental challenges. Yet we must strive for common-sense and balanced ways to fix those problems. That does not mean shutting down industries and throwing workers and families on the scrap heap; nor does that mean shifting extra costs to Australian families. As the nation’s political leaders, we cannot forget the practical and immediate effect on families of such flawed policies. Some Australians are at risk of running out of water. In some cases that has already happened and farmers are not planting because they do not have a guaranteed water supply. In other cases cities are facing severe water restrictions.

Family First believes that a carbon emissions trading scheme should be investigated; we need to invest in cleaner uses of fossil fuel; it makes sense to examine the feasibility of nuclear power in Australia but it is way too early to make any decision one way or another; we need to consider how we employ other technologies to combat global warming, including renewable fuels and our land and transport use; we should invest more funding for alternative energy research and more effective strategies and technologies for treatment and recycling of waste; and we should have incentives to reduce waste and pollutants in the environment. Family First will continue to argue for common-sense solutions that strike the right balance between protecting Australia’s environment while also protecting the needs and interests of families, small businesses and farmers.

Budget 2007-08

Senator NASH (New South Wales) (9.33 pm)—Mr President, It is always a challenge being the last speaker on a Thursday night on the adjournment.

Senator Webber—We’re listening.

Senator NASH—Thank you so much. I will attempt to keep you awake for a few minutes. I rise tonight to make a few comments about the budget that was delivered by the government this week and also to comment about some alternatives to that budget. As somebody who is old enough to remember budgets coming down under Labor, I can only say what a great budget this is for the nation. It is a very measured, sensible budget that delivers for people right across this nation in a whole range of areas. As I say, compared to those that we have seen over the years come from Labor, this is a real nation building, visionary budget that the people of this country are going to benefit from for years to come.

I think the starting point should be to look at when we came to government. I do not think enough people around this country realise what this government found when we came in. There was $96 billion of Labor debt. People around this country probably do not realise that, with that, was $8½ billion dollars worth of interest that this government had to pay because of Labor’s economic mismanagement. There is no way around that. That is just a fact. That is where we started.

Over the years, this government has shown very strong and very sound economic
management—and it has not been easy; there have been some very difficult decisions that had to be made. This government is now in a position to be able to deliver the budget that we delivered. There was no magic and no tricks. It was just solid, hard work and a determination to make sure that we could get the economy right in this country. Congratulations and full credit to the Treasurer, yet again, for steering this nation on the right economic course so that not only this generation but also the next generation can benefit.

As a result of that sound economic management, we saw a budget that delivered in spades. I find it quite amusing that we have heard over the last couple of days, ‘It’s just a budget for the election.’ Last time I looked, we tend to have an election about every three years. So what are the critics saying? Are they saying that every third year we should not spend anything in the budget—because that will only be for the election? It is a load of rubbish. This is a well thought out, well planned budget that is going to deliver. And why shouldn’t the people of Australia be able to benefit from the hard work of this government and the financial gains? Why shouldn’t they be able to benefit from the $5 billion going into an education fund that is going to work in perpetuity, so that we can see capital works and research facilities in an ongoing way for years to come? And why shouldn’t they benefit from $22 billion worth of funding for road and rail infrastructure? To me, that is something they should have. I do not see that as an election grab; I see that as investment in the future of this nation. Investing in infrastructure is what we need to do.

What we are seeing from the other side is superficial statements about where they would go and what they would do, but there is nothing substantive. Tonight the Leader of the Opposition in his reply barely mentioned regional Australia. The last time I looked, about one-third of the people in this country lived out there, and Labor barely mentioned it. Labor does not care about the regions. They are focused on the cities and they will always be focused on the cities. That was shown tonight with the lack of comment or no mention virtually about anything for regional Australia from the Leader of the Opposition.

One of the great benefits that has come out of this budget is the funding for dental care. I want to particularly mention the funding for the rural dental school for Charles Sturt University. That $65 million for a new regional school for dental health is going to be great for the regions and great for the nation, because we know that if students go out to the regions and they practise out in the regions then they are far more likely to stay. We need to make sure that we do everything we can so that they do that. This government knows that. This government recognises that. That is what we need to do.

Interestingly, also, in terms of the environment, we have seen $2 billion for the Natural Heritage Trust, which is going to restore, conserve and sustainably manage our environment. This government comes under a bit of flak for not paying enough attention to the environment, but let me tell you that we do and we have been doing it for a long time. That is borne out in this budget. We are going to keep doing it. One of the things I was particularly pleased to see in this budget was the funding for an environmental stewardship initiative. This $50 million recognises the contribution that farmers make to the environment already. Labor would never understand that. They do not get it. But this government does. Our farmers every day are looking after the land. They deserve to be recognised and they are in this budget with this initiative. We are looking after the environment already. Farmers often get pilloried for being farmers, but most farmers—I
would say by and large nearly all farmers—look after the land because they know that if they do not look after the land, the land will not look after them.

Interestingly, telecommunications was raised tonight by the Leader of the Opposition in his budget reply speech. I was fascinated to notice that it was merely a rerun of his press release in March. There was nothing new. It was just about the funding and what they were going to do—blah, blah, blah—for fibre to the node. There was, again, nothing substantive, no explanation, still saying nothing. The only thing we know is that they are going to rip $2.7 billion out of the Future Fund and completely wipe out the $2 billion communications fund that was specifically put there for telecommunications for rural and regional communities in the future. There was nothing more. Industry is still no further forward to knowing how on earth Labor plan to roll out their broadband plan.

What is really interesting is the fact that the telecommunications carriers are going to do it anyway. We have this extraordinary situation where Labor want to spend taxpayers’ money on a broadband initiative that private companies are going to pay for anyway. I think even Jack could figure out how stupid that is. What we need to do is let the competition work in the marketplace where it can and where it is and devote the government’s energies and the taxpayers’ dollars to where the market is not going to deliver. It is just another example of Labor’s ineptitude and inexperience and the fact that they will not be good for this country if they get into government. That is probably an understatement—there are probably much stronger words I should have used. This government is the government to lead this nation forward. People should not think about risking Labor on the other side to lead them forward.

Interestingly tonight the Leader of the Opposition started one of his sentences with, ‘There is nothing to hold us back as a nation, as a people ...’. I would have finished it slightly differently and said ‘except the Labor Party’, because we have a government now that has delivered sound economic management, sensible measures and experienced handling of the nation. Compare this to what we had back under the days of Labor when we had a leader who gave us a recession which apparently we had to have and then left us with a $96 billion debt. It does not take too much of a comparison to figure out that this is the government that should be leading this nation forward and that should continue to lead this nation forward. Under us we have half the rate of unemployment and half the inflation rate and we have mortgage rates that are on average 50 per cent lower than they were under Labor. There is no doubt this budget was a good budget; it was sensible, it was measured and it is the way forward for Australia. (Time expired)

Senate adjourned at 9.44 pm

DOCUMENTS

Tabling

The following document was tabled by the Clerk:

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Wilderness Society
(Question No. 2416)

Senator Bob Brown asked the Minister for the Arts and Sport, upon notice, on 17 August 2006:
Has the Minister met with representatives of the Wilderness Society in the past 5 years; if so, on what dates.

Senator Brandis—The answer to the honourable senator’s question is as follows:
As the Minister for the Arts and Sport I have not met with the Wilderness Society and I do not hold records covering details of the previous Minister’s meetings.

Exclusive Brethren
(Question No. 2536)

Senator Bob Brown asked the Minister representing the Minister for the Environment and Water Resources, upon notice, on 4 October 2006:
With reference to meetings between the Minister and representatives of the Exclusive Brethren: Has the Minister met with representatives of the Exclusive Brethren in the past 5 years: if so, in each case: (a) when was the meeting; (b) where was the meeting held; (c) who attended the meeting; and (d) what matters were discussed.

Senator Abetz—The Minister for the Environment and Water Resources has provided the following answer to the honourable senator’s question:
Since becoming Minister for the Environment and Water Resources, I have not met with representatives of the Exclusive Brethren. I am not able to comment for the former Minister for the Environment and Heritage.

Agriculture, Fisheries and Forestry
(Question No. 2645)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 9 November 2006:
(1) Has the department instituted an internal costing or cost recovery system; if so: (a) what was the reason for instituting this system; and (b) can details be provided of the costs associated with instituting this system.
(2) As at 30 September 2006: (a) how many staff are there at each Australian Public Service (APS) level (including executive and senior executive level staff) by business unit, division or branch; and (b) what is the average salary of staff at each APS level (including executive and senior executive level staff) by business unit, division or branch.

Senator Abetz—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
(1) The Department of Agriculture, Fisheries & Forestry uses an internal cost allocation process.
   (a) The system was instituted to:
• determine the full cost of cost recovered programmes, which are set out in pages 80 to 85 of the 2006-07 Portfolio Budget Statements;
• assist in monitoring and internal budgeting; and
• determine the full cost of Departmental outputs.

(b) The cost allocation system is part of a wider budgeting and reporting system and it is not possible to identify its discrete cost.

(2) The APS Class groups for the Department of Agriculture, Fisheries & Forestry are defined in Schedule 1 of the Public Service Classifications Amendment Rules 2006. Using these definitions, the headcount as at 30 September 2006 is as follows:

<table>
<thead>
<tr>
<th>APS Class Group</th>
<th>Division</th>
<th>Average Salary $</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS3 Meat Inspector Level 1</td>
<td>AQIS</td>
<td>53,875</td>
<td>272</td>
</tr>
<tr>
<td>APS4 Includes:</td>
<td>ABARE</td>
<td>49,615</td>
<td>34</td>
</tr>
<tr>
<td>DAFF Band 1 - Policy &amp; Technical Levels 1-4</td>
<td>AQIS</td>
<td>46,332</td>
<td>1,954</td>
</tr>
<tr>
<td>DAFF Band 1 - Science Stream Level 1</td>
<td>Bureau of Rural Sciences</td>
<td>48,040</td>
<td>25</td>
</tr>
<tr>
<td>Graduate Administrative Assistants Levels 1-2 Meat Inspector Level 2</td>
<td>Corporate Management</td>
<td>43,584</td>
<td>133</td>
</tr>
<tr>
<td>APS5 Meat Inspector Level 3</td>
<td>AQIS</td>
<td>62,805</td>
<td>32</td>
</tr>
<tr>
<td>APS6 Includes:</td>
<td>ABARE</td>
<td>64,424</td>
<td>47</td>
</tr>
<tr>
<td>DAFF Band 2 - Vet Level 2</td>
<td>AQIS</td>
<td>62,780</td>
<td>640</td>
</tr>
<tr>
<td>DAFF Band 2 - Policy &amp; Technical Levels 5-6 Bureau of Rural Sciences</td>
<td>Biosecurity Australia</td>
<td>63,678</td>
<td>30</td>
</tr>
<tr>
<td>DAFF Band 2 - Science Stream Level 2</td>
<td>Corporate Management</td>
<td>60,883</td>
<td>81</td>
</tr>
<tr>
<td>Meat Inspector Level 4</td>
<td>Corporate Policy &amp; Govern</td>
<td>59,955</td>
<td>35</td>
</tr>
<tr>
<td>Fisheries &amp; Forestry</td>
<td>Food &amp; Agriculture</td>
<td>59,864</td>
<td>34</td>
</tr>
<tr>
<td>International Division</td>
<td>Natural Resource Management</td>
<td>60,250</td>
<td>56</td>
</tr>
<tr>
<td>Prod Integrity Animal &amp; Plant Health</td>
<td>Rural Policy &amp; Innovation</td>
<td>60,785</td>
<td>40</td>
</tr>
<tr>
<td>EL2</td>
<td>ABARE</td>
<td>92,454</td>
<td>55</td>
</tr>
<tr>
<td>Includes:</td>
<td>AQIS</td>
<td>87,480</td>
<td>267</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
### Mining Industry: Desalination Plants

**Senator Milne** asked the Minister representing the Minister for the Environment and Water Resources, upon notice, on 5 February 2007:

1. Has the Government, through the National Water Commission (NWC), received correspondence from BHP Billiton (BHP) concerning government funding for a desalination plant or related pipeline infrastructure proposed to be constructed to support the expansion of the Olympic Dam Mine in South Australia; if so, can details be provided of the correspondence received, including e-mails and records of telephone conversations, and all replies.

2. Has the Government, through the NWC or any other government agency, received an application from BHP for grants under any government program, including the Australian Government Water Fund; if so, can details be provided of the correspondence received, including e-mails and records of telephone conversations, and all replies.
(3) What is the Government’s position on: (a) desalinisation plants; and (b) providing public funding to the mining industry for desalination plants.

(4) If the Government receives an application from BHP for Commonwealth funding to construct a desalinisation plant, will the Government commit to undertake an assessment of the impact on greenhouse gas emissions of the plant incorporating construction through to operation.

(5) Does the Prime Minister’s statement at the National Press Club on 25 January 2007 on the impact of the proposed expansion of the Olympic Dam Mine on water usage in the Murray-Darling Basin, that ‘everyone would have to do their bit for conservation’ indicate that the Government is favourably disposed towards supporting a desalination plant.

Senator Abetz—The Minister for the Environment and Water Resources has provided the following answer to the honourable senator’s question:

(1) No.

(2) The National Water Commission has not received any application or submission for funding under the Australian Government Water Fund from BHP Billiton concerning the construction of a desalination plant or a pipeline to support the Olympic Dam Mine. Information related to other government agencies would need to be sought from other Ministers as it would be an inappropriate diversion of the resources of my Department to seek such information from every government agency.

(3) (a) The Government views desalination plants as an important water supply option. Their suitability depends on the circumstances of each situation.

(b) Any proposals for funding would be considered on their merits and in line with the criteria for the relevant funding program.

(4) See 3(b) above.

(5) Not applicable. See 3(a) above.

**Tiwi Islands**

*(Question No. 3075)*

Senator Siewert asked the Minister representing the Minister for the Environment and Water Resources, upon notice, on 26 March 2007:

With reference to the article ‘Forestry – key to the Tiwi Islanders future’ (*Contours*, June 2005, p. 12) that states that ‘with an operational port…and more than 35 000 tonnes of logs ready to go, Sylvatech has scheduled shipments every three weeks for the next five years, generating more than $95 million for the Tiwi people’ and quotes the Tiwi Land Council’s Environment and Heritage Officer as saying that ‘the Council is determined that a significant amount of revenue, which it shares 50:50 with Sylvatech, will go to education’:

(1) How much income did the Tiwi Islanders receive from the first seven shipments of logs exported to Asia.

(2) Can the Minister explain how the first six shipments produced a total loss of $600,000 despite government and logging company estimations, on several occasions, that the logs would be worth millions of dollars.

(3) How much income did Sylvatech receive from each of the seven shipments.

(4) Did any other company involved in the Tiwi forestry project profit from the sale of these logs, for example Pentarch Forest Products Ltd, Pensyl Ltd, Stratus Shipping Ltd.

(5) If no income was being made from the export of logs from the Tiwi Islands to Asia, why did the shipments continue at a substantial loss to the Tiwi Islanders.
(6) (a) Given the discrepancy between the estimated and actual value of the logs, has fraud been committed against the Tiwi Islanders; and (b) if so, will the Minister refer the matter to the Australian Federal Police for investigation; if not, why not.

Senator Abetz—The Minister for the Environment and Water Resources has provided the following answer to the honourable senator’s question:

It is my understanding that the Australian Government does not hold this information. Answers to the questions are more appropriately sought from the Tiwi Land Council and the companies involved in the project.

East Coast Deep Water Trawl Zone
(Question No. 3092)

Senator Siewert asked the Minister for Fisheries, Forestry and Conservation, upon notice, on 29 March 2007:

(1) Is it the case that the East Coast Deepwater trawl zone of the Southern and Eastern Scalefish and Shark Fishery (SESSF) has never been subject to a specified targeted species quota, bycatch quota or trigger limit; if so, is this due to scientific uncertainty as to the level of stock; if not, can published quota or limits be provided.

(2) Can the Minister provide copies of any research in his possession which supports the sustainability of the 50 tonne bycatch quota identified in the Southern and Eastern Scalefish and Shark Fishery (non-quota species) Total Allowable Catch (2007 Fishing Year) Determination (cited as 2007 SESSF D2), made under section 15 of the SESSF Management Plan 2003.

Senator Abetz—The answer to the honourable senator’s question is as follows:

(1) This is not the case. Since 2000 the limited number of fishing permit holders in the East Coast Deep Water Trawl Zone have had allowable catches further restricted as follows:

Competitive Total Allowable Catch (TACs) in the East Coast Deep Water Trawl Zone of the Southern and Eastern Scalefish and Shark Fishery (SESSF)

<table>
<thead>
<tr>
<th></th>
<th>2000 (t)</th>
<th>2001 (t)</th>
<th>2002 (t)</th>
<th>2003 (t)</th>
<th>2004 (t)</th>
<th>2005 (t)</th>
<th>2006 (t)</th>
<th>2007 (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>orange roughy</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>50 (by catch)</td>
</tr>
<tr>
<td>alfonsino</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500 quota species</td>
</tr>
<tr>
<td>pelagic amourheads and boarfish</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200 (boar fish)</td>
</tr>
<tr>
<td>Oreo*</td>
<td>500</td>
<td>500</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Blue eye trevalla**</td>
<td>N/A</td>
<td>N/A</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

All figures are for non-quota species, unless indicated.

In November 2005, Alfonsino quota was allocated across the 10 operators in the sector. This is outlined in the SESSF determination (2007 SESSF D2).

*This species is generally a bycatch of targeting other species and there were no recorded catches of this species in 2000 and 2001. On this basis the TAC was seen as unnecessary.

**This species is a SESSF quota species and catches are now decremented from permit holders SESSF quota.
(2) The Determination enables incidental catches of orange roughy to be taken and landed by fishers targeting alfonsoino in East Coast Deep Water Trawl Sector (ECDWTS) of the SESSF. Alfonsoino is the main target quota fish species in this area.

Since the granting of permits in 2000, there has been no targeted fishing for orange roughy in the area.

There is no known aggregation, spawning or breeding of orange roughy in the East Coast Deep Water Trawl Zone (ECDWTZ) of the SESSF on which a scientific assessment can be made. In recognition that orange roughy have a low productivity and the need for a precautionary approach to harvesting of this species, AFMA set a bycatch limit of 50 tonnes in the EDCWTZ. Based on the experience with orange roughy stocks in other zones, the Australian Fisheries Management Authority (AFMA) believe that a bycatch limit of 50 tonnes is a precautionary measure to prevent significant catches being made prior to any assessment of the stock in this area.

The mechanism used to establish the catch limit for orange roughy in the area of the ECDWTZ does not in any way limit AFMA's ability to implement further management measures to cease catches of orange roughy in this area of the fishery if catches approach the prescribed limit (as indicated in the Orange Roughy Conservation Plan) or if new information comes to light.

Palm Island: Census Information (Question No. 3096)

Senator Carr asked the Minister representing the Treasurer, upon notice, on 10 April 2007:

With reference to the collection of Census information in August 2006 by the Australian Bureau of Statistics (ABS) on Palm Island, Queensland:

(1) (a) Was Palm Island included in the collection of Census information; if so, was the information collected on 8 August 2006 or at a later date; if the information was collected at a later date, what was that date; and (b) can a detailed explanation be provided as to how the Census information was collected on Palm Island on this date.

(2) Was Palm Island, situated ten minutes by plane from Townsville, categorised as a remote area for collection purposes; if so, why.

(3) Was assistance provided to Palm Island residents in completing the Census forms or were the forms left to be completed without assistance.

(4) How many forms were completed by Palm Island residents, and collected by ABS personnel.

(5) Will the number of Palm Island residents be identifiable from the Census data released in 2007.

Senator Minchin—The Treasurer has provided the following answer to the honourable senator’s question:

(1) (a) Yes, Palm Island was included in the 2006 Census. The 2006 Census enumeration on Palm Island took place from 17 August 2006 to 24 August 2006.

(b) Census enumeration on Palm Island was undertaken in accordance with the ABS Indigenous Enumeration Strategy that provides for special, more intensive procedures, and different timing in discrete Indigenous communities, from that of conventional census enumeration.

The following census activities were undertaken on Palm Island in accordance with this strategy.

(i) Following the 2001 Census, the ABS undertook extensive consultation with Indigenous Australian groups, Australian and state/territory authorities, and other interested parties, to develop the strategy for enumerating Indigenous peoples in the 2006 Census. This included the strategy for enumeration in discrete Indigenous communities. These communi-
ties are areas designated by the ABS Census Management Unit as requiring tailored counting procedures. Generally these are in remote locations but may include communities near towns and cities, including town camps. Palm Island was identified as a discrete Indigenous community after these consultations.

(ii) The ABS Census Field Officer with responsibility for Palm Island met with the Chair of the Palm Island Community Council on 20 April 2006 to discuss a range of issues related to the conduct of the 2006 Census, including the purpose of the census, and seeking assistance of the Palm Island Community Council in promoting the census, and identifying possible local census workers.

(iii) The ABS Census Field Officer undertook another visit to Palm Island from 28 June to 1 July 2006. At this visit, he again met with representatives of the Palm Island Community Council and other community leaders, undertook census promotional activities in the community and recruited local staff to work on the 2006 Census.

(iv) From 1 August to 11 August 2006, the ABS Census Field Officer undertook the training of a locally recruited community coordinator and then trained the census collectors with the assistance of the community coordinator.

(v) The census collectors were responsible for the collection of the census information between 17 August and 24 August 2006, under the supervision of the community coordinator.

(vi) Within discrete Indigenous communities, the census information is collected by interview rather than by the householder completing the census form.

(vii) The ABS Census Field Officer again visited Palm Island on 11 and 12 September 2006 to undertake the follow-up activities required to complete the census enumeration.

(2) Palm Island is not categorised as a remote area.

(3) The general procedure in discrete Indigenous communities is for the census information to be collected by interview using a specially designed Interview Household Form. However, the householder can complete the census form themselves if they wish.

(4) There is no information available on the number of Palm Island residents who completed the Census Form themselves as this information was not collected. Information on the number of Census Forms completed on Palm Island will be available with the release of statistics from the 2006 Census at the end of June 2007.

(5) The number of people reported as usual residents of Palm Island will be available with the release of statistics from the 2006 Census at the end of June 2007.

**Backing Indigenous Ability Telecommunications Program**

*(Question No. 3103)*

**Senator Carr** asked the Minister for Communications, Information Technology and the Arts, upon notice, on 10 April 2007:

With reference to the Minister’s press release on 23 February 2007, entitled ‘$36.6 million to improve Indigenous telecommunications’, in which remote Indigenous communities were invited to apply for funding under a ‘new Backing Indigenous Ability telecommunications program’:

(1) Will any of the $36.6 million, announced come from the $90 million promised in September 2005; if so, how much.

(2) To date, how many applications has the department received for funding under this program.

(3) Was a needs assessment ever conducted in remote Indigenous communities in relation to telecommunications; if so, can details be provided: (a) of the date and contents of this assessment; and (b)
if the assessment was conducted by an outside contractor (s), their name and the value of the contract.

(4) Was the $36.6 million figure based on results of a needs assessment or survey; if not, how was it determined.

Senator Coonan—The answer to the honourable senator’s question is as follows:

(1) Yes. The $36.6 million BIA telecommunications is a component of the $89.9m Backing Indigenous Ability Program.

(2) As at 2 May 2007, the Department of Communications, Information Technology and the Arts had received 60 applications for Round 1 of the program.

(3) An extensive consultation process was conducted to ensure the design of the BIA telecommunications program best reflects the needs of Indigenous communities.

(4) The $36.6 million funding reflects the estimated costs associated with the delivery of the six elements of the BIA telecommunications program.