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RADIO BROADCASTS
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- SYDNEY 630 AM
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- GOLD COAST 95.7 FM
- MELBOURNE 1026 AM
- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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

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(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.
(7) Chosen by the Parliament of South Australia to fill a casual vacancy vice Hon. Amanda Eloise Vanstone, resigned.
(8) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Hon. Ian Gordon Campbell, resigned.

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

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

Prime Minister
The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP
Minister for Transport and Regional Services and
Deputy Prime Minister
The Hon. Peter Howard Costello MP
Treasurer
The Hon. Warren Errol Truss MP
Minister for Defence
The Hon. Dr Brendan John Nelson MP
Minister for Foreign Affairs
The Hon. Alexander John Gosse Downer MP
Minister for Health and Ageing and Leader of the
House
The Hon. Anthony John Abbott MP
Attorney-General
The Hon. Philip Maxwell Ruddock MP
Minister for Finance and Administration, Leader
of the Government in the Senate and Vice-
President of the Executive Council
Senator the Hon. Nicholas Hugh Minchin
Minister for Agriculture, Fisheries and Forestry
and Deputy Leader of the House
The Hon. Peter John McGauran MP
Minister for Immigration and Citizenship
The Hon. Kevin James Andrews MP
Minister for Education, Science and Training and
Minister Assisting the Prime Minister for
Women’s Issues
The Hon. Julie Isabel Bishop MP
Minister for Families, Community Services and
Indigenous Affairs and Minister Assisting the
Prime Minister for Indigenous Affairs
The Hon. Malcolm Thomas Brough MP
Minister for Industry, Tourism and Resources
The Hon. Ian Elgin Macfarlane MP
Minister for Employment and Workplace Rela-
tions and Minister Assisting the Prime Minister
for the Public Service
The Hon. Joseph Benedict Hockey MP
Minister for Communications, Information Tech-
nology and the Arts and Deputy Leader of the
Government in the Senate
Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Water Re-
sources
The Hon. Malcolm Bligh Turnbull MP
Minister for Human Services
Senator the Hon. Christopher Martin Ellison

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

Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate
Minister for Small Business and Tourism
Minister for Local Government, Territories and Roads
Minister for Revenue and Assistant Treasurer
Minister for Workforce Participation
Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence
Special Minister of State
Minister for Ageing
Minister for Vocational and Further Education
Minister for the Arts and Sport
Minister for Community Services
Minister for Justice and Customs
Assistant Minister for Immigration and Citizenship
Assistant Minister for the Environment and Water Resources
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary to the Minister for Transport and Regional Services
Parliamentary Secretary to the Treasurer
Parliamentary Secretary to the Minister for Finance and Administration
Parliamentary Secretary to the Minister for Industry, Tourism and Resources
Parliamentary Secretary to the Minister for Foreign Affairs
Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
Parliamentary Secretary to the Minister for Education, Science and Training
Parliamentary Secretary to the Minister for Defence
Parliamentary Secretary to the Minister for Health and Ageing

Senator the Hon. Eric Abetz
The Hon. Frances Esther Bailey MP
The Hon. James Eric Lloyd MP
The Hon. Peter Craig Dutton MP
The Hon. Dr Sharman Nancy Stone MP
The Hon. Bruce Frederick Billson MP
The Hon. Gary Roy Nairn MP
The Hon. Christopher Maurice Pyne MP
The Hon. Andrew John Robb MP
Senator the Hon. George Henry Brandis SC
Senator the Hon. Nigel Gregory Scullion
Senator the Hon. David Albert Lloyd Johnston
The Hon. Teresa Gambaro MP
The Hon. John Kenneth Cobb MP
The Hon. Anthony David Hawthorn Smith MP
The Hon. De-Anne Margaret Kelly MP
The Hon. Christopher John Pearce MP
Senator the Hon. Richard Mansell Colbeck
The Hon. Robert Charles Baldwin MP
The Hon. Gregory Andrew Hunt MP
The Hon. Sussan Penelope Ley MP
The Hon. Patrick Francis Farmer MP
The Hon. Peter John Lindsay MP
Senator the Hon. Brett John Mason
SHADOW MINISTRY

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

Kevin Michael Rudd MP
Julia Eileen Gillard MP
Senator Christopher Vaughan Evans
Senator Stephen Michael Conroy
Anthony Norman Albanese MP
The Hon. Archibald Ronald Bevis MP
Christopher Eyles Bowen MP
Anthony Stephen Burke MP
Senator Kim John Carr
The Hon. Simon Findlay Crean MP
Craig Anthony Emerson MP
Laurence Donald Thomas Ferguson MP
Martin John Ferguson MP
Joel Andrew Fitzgibbon MP
Peter Robert Garrett MP
Alan Peter Griffin MP
Senator Joseph William Ludwig
Senator Kate Alexandra Lundy
Jennifer Louise Macklin MP
Robert Bruce McClelland MP
Senator Jan Elizabeth McLucas
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 Intergenerational Finance and Shadow Minister for Banking and Financial Services
Senator the Hon. Nicholas John Sherry

Shadow Minister for Education and Training
Stephen Francis Smith MP

Shadow Treasurer
Wayne Maxwell Swan MP

Shadow Minister for Finance
Lindsay James Tanner MP

Shadow Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation
Senator Penelope Ying Yen Wong

Shadow Parliamentary Secretary for Foreign Affairs
Anthony Michael Byrne MP

Shadow Parliamentary Secretary for Defence and Veterans’ Affairs
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary to the Leader of the Opposition
John Paul Murphy MP

Shadow Parliamentary Secretary for Industrial Relations
Brendan Patrick John O’Connor MP

Shadow Parliamentary Secretary for Industry and Innovation
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)
Senator Ursula Mary Stephens
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

PETITIONS

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

Child and Family Centre

To the honourable President and members of the Senate in parliament assembled:
The petition of the undersigned wish to acknowledge the need for childcare services in our community and support the construction of a community-based not-for-profit Child & Family Centre within the Beaconsfield Primary School grounds. This centre would offer long-day childcare, before & after school care; parent consulting rooms and family resources for the community.

Your petitioners request that the Senate support this initiative by ensuring government funds be put aside for the provision of child & family centre infrastructure, in particular long-day childcare and before & after school care, in communities where this need has been clearly identified.

by Senator Barnett (from 54 citizens)

Petition received.

NOTICES

Presentation

Senator Allison to move on the next day of sitting:
That the Senate:
(a) notes:
(i) the announcement by the Victorian State Government that a desalination plant costing $3.1 billion will be built near Wonthaggi to provide a third of Melbourne’s demand for water, approximately 150 billion litres, by 2012;
(ii) that the desalination plant and associated pumping of more than 200 km will likely emit more than a million tonnes of greenhouse gas emissions a year and increase electricity use in Victoria by 2 per cent,
(iii) that the Victorian Government intends to ‘offset’ greenhouse emissions through the purchase of renewable energy,
(iv) that the ongoing drought in Victoria is highly likely to be related to climate change,
(v) that 95 per cent of Victoria’s electricity is from ageing, low efficiency, brown coal-fired generators,
(vi) that $3.1 billion could fund rebates for approximately 2 million household water tanks that could provide 80 billion litres of water for cistern, laundry and garden use, and
(vii) that coal-fired power generation in Victoria uses approximately 400 billion litres of water a year;
(b) urges the Victorian State Government to develop desalination only if necessary after:
(i) stringent standards are implemented for water appliances,
(ii) substantial quantities of potable water have been displaced by stormwater or other harvested water,
(iii) water reticulation infrastructure leaks have been fixed,
(iv) water intensive industry and commercial operations are water efficient,
(v) all Victorians have low flow shower heads, dual flush cisterns and grey water systems, and
(vi) there is widespread application of water sensitive urban design; and
(c) encourages the Victorian State Government to ensure that any desalination still required, uses only renewable-powered technology.

Senator Milne to move on the next day of sitting:
That:
(a) the Senate notes that:
(i) the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) concluded that:
(A) the sea level would rise by between 0.18 metres to 0.59 metres by the end of the century and that these projections do not include the full effects of changes in ice sheet flow because a basis in published literature was lacking.

(B) there is medium confidence (that is a 50 per cent chance) that at least partial deglaciation of the Greenland ice sheet, and possibly the West Antarctic ice sheet, would occur over a period of time, ranging from centuries to millennia for a global average temperature increase of 1° to 4°C (relative to 1990-2000), causing a contribution to a rise in sea level of 4 to 6 metres or more, and

(C) many millions more people are projected to be flooded every year due to a sea level rise by 2080 and the numbers affected will be largest in the mega-deltas of Asia and Africa, while small islands are especially vulnerable.

(ii) recent scientific research, published too late for inclusion in the IPCC reports, suggests that the sea level is rising more quickly than previously thought and many eminent climate scientists, including Dr James Hansen, Head of Atmospheric Research for the National Aeronautics and Space Administration, warn that a warming of 2° to 3°C could melt the ice sheets of West Antarctica and parts of Greenland, resulting in a sea level rise of 5 metres within a century.

(iii) assessing the impact of even a moderate rise in sea level in Australia remains inadequate for adaptation planning.

(iv) assessing the vulnerability of low coastal and estuarine regions requires not only mapping height above sea level but must take into account factors such as coastal morphology, susceptibility to long-shore erosion, near shore bathymetry and storm surge frequency.

(v) delaying analysis of the risk of the rise in sea level exacerbates the likelihood that such information may affect property values and investment through disclosure of increased hazards and possible reduced or more expensive insurance cover, and

(vi) an early response to the threat of rising sea levels may include avoiding investment in long-lived infrastructure in high risk areas; and

(b) the following matter be referred to the Environment, Communications, Information Technology and the Arts Committee for inquiry and report by 3 December 2007:

An assessment of the risks associated with the rise in sea level in Australia, including an appraisal of:

(i) recent science relating to projections on the rise in sea level,

(ii) ecological, social and economic impacts for the full range of projections,

(iii) adaptation and mitigation strategies,

(iv) knowledge gaps and research needs, and

(v) options to communicate risks and vulnerabilities to the Australian community.

Senator Bob Brown to move on the next day of sitting:

That the Senate:

(a) notes the terrible story of Mr Mulrunji Doomadgee, which extends beyond his death in custody in 2004, to encompass the following:

(i) Mr Doomadgee’s son Eric has since committed suicide,

(ii) Mr Patrick Bramwell, a 24-year-old Aboriginal man, who was in the Palm Island police lock-up as Mr Doomadgee died, has since hanged himself, and

(iii) Mr Doomadgee’s mother, too ill to attend his funeral, has since died; and

(b) expresses its condolences to the Doomadgee family and the Palm Island community for the suffering and despair which these tragic events have entailed.
COMMITTEES
Selection of Bills Committee
Report
Senator PARRY (Tasmania) (9.32 am)—
I present the 10th report of 2007 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator PARRY—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—
SELECTION OF BILLS COMMITTEE
REPORT NO. 10 OF 2007

(1) The committee met in private session on Wednesday, 20 June 2007 at 4.20 pm.
(2) The committee resolved to recommend—
That:
(a) the provisions of the Telecommunications (Interception and Access) Amendment Bill 2007 be referred immediately to the Legal and Constitutional Affairs Committee for inquiry and report by 1 August 2007 (see appendix 1 for statements of reasons for referral);
(b) the provisions of the International Trade Integrity Bill 2007 be referred immediately to the Legal and Constitutional Affairs Committee for inquiry and report by 1 August 2007 (see appendix 2 for statements of reasons for referral);
(c) the Trade Practices Amendment (Predatory Pricing) Bill 2007 be referred immediately to the Economics Committee for inquiry and report by 1 August 2007 (see appendix 3 for a statement of reasons for referral);
(d) the provisions of the Trade Practices Legislation Amendment Bill (No. 1) 2007 be referred immediately to the Economics Committee for inquiry and report by 1 August 2007 (see appendix 4 for a statement of reasons for referral);
(e) the provisions of the Social Security Amendment (2007 Measures No. 1) Bill 2007 be referred immediately to the Employment, Workplace Relations and Education Committee for inquiry and report by 30 July 2007 (see appendix 5 for a statement of reasons for referral); and
(f) the provisions of the Communications Legislation Amendment (Information Sharing and Datacasting) Bill 2007 be referred immediately to the Environment, Communications, Information Technology and the Arts Committee for inquiry and report by 30 July 2007 (see appendix 6 for a statement of reasons for referral).

(3) The committee resolved to recommend—
That the following bills not be referred to committees:
• Australian Postal Corporation Amendment (Quarantine Inspection and Other Measures) Bill 2007
• Families, Community Services and Indigenous Affairs Legislation Amendment (Further 2007 Budget Measures) Bill 2007
• Industrial Chemicals (Notification and Assessment) Amendment (Cosmetics) Bill 2007
• Judges’ Pensions Amendment Bill 2007
• National Health Amendment (National HPV Vaccination Program Register) Bill 2007
• Repatriation of Citizens Bill 2007
• Tax Laws Amendment (Simplified GST Accounting) Bill 2007
• Therapeutic Goods Amendment Bill 2007
• Wheat Marketing Amendment Bill 2007.

The committee recommends accordingly.

(4) The committee deferred consideration of the following bills to its next meeting:
• Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2007
• Lobbying and Ministerial Accountability Bill 2007

CHAMBER
• Peace and Non-Violence Commission Bill 2007
• Public Interest Disclosures Bill 2007.

(Stephen Parry)
Chair
21 June 2007

Appendix 1
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Telecommunications (Interception and Access) Amendment bill 2007
Reasons for referral/principal issues for consideration
May be some constitutional/legal issues. Police Federation of Australia (PFA) have identified area of concern.
Possible submissions or evidence from:
Civil liberties groups and the PFA.
Committee to which bill is to be referred:
Legal and Constitutional Affairs
Possible hearing date(s):
August 2007
Possible reporting date:
August 2007
(signed)
Senator George Campbell
Whip/Selection of Bills Committee member

Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
International Trade Integrity Bill 2007
Reasons for referral/principal issues for consideration
To ensure compliance with recommendations of the Cole Inquiry and Phase 2 Report of the OECD.
Possible submissions or evidence from:
Law Council of Australia, Business Council, trade community representatives.
Committee to which bill is to be referred:
Possible hearing date(s):
As per committee.
Possible reporting date:
13 August 2007
(signed)
Senator George Campbell
Whip/Selection of Bills Committee member

Appendix 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Trade Practices Amendment (Predatory Pricing) Bill 2007
Reasons for referral/principal issues for consideration
FAMILY FIRST believes small businesses should be protected from predatory pricing, where powerful corporations drop their prices in one area to
drive out competitors, before raising prices later on. For example, this is a significant problem with the market dominance of Coles and Woolworths which have 80 per cent control of the grocery trade and also dominate the petrol market.

It is important for this bill to be referred to committee to ensure that it reflects its intent of outlawing predatory pricing.

Possible submissions or evidence from:
Council of Small Business Organisations of Australia, National Association of Retail Grocers of Australia, Motor Trades Association of Australia, Pharmacy Guild, Victorian Automobile Chamber of Commerce.

Committee to which bill is to be referred:
Senate Economics Committee

Possible hearing date(s):
Tuesday, 31 July; Wednesday, 1 August; Thursday, 2 August

Possible reporting date:
Thursday, 9 August

(signed)
Senator Steve Fielding
Whip/Selection of Bills Committee member

Appendix 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Trade Practices Legislation Amendment (No.1) Bill 2007

Reasons for referral/principal issues for consideration
Consideration of the bill as necessary.

Possible submissions or evidence from:
Economics
Committee to which bill is to be referred:

Possible hearing date(s):
30 July 2007

(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

Appendix 5
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Social Security Amendment (2007 Measures No.1)

Reasons for referral/principal issues for consideration
To investigate the impact of amendments contained in this Bill to mobility allowance, child support reforms and social security laws such as youth allowance on people receiving/applying for payments.

Possible submissions or evidence from:
Australian Council of Social Services
Welfare Rights Centre
National Disability Services
Australian Federation of Disability Services
Australian Childhood foundation
National Union of Students.

Committee to which bill is to be referred:
Employment, Workplace Relations and Education

Possible hearing date(s):
9 August 2007

Possible reporting date:
9 August 2007

(signed)
Senator Andrew Bartlett
Whip/Selection of Bills Committee member

Appendix 6
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Communications Legislation Amendment (Information Sharing And Datacasting) Bill 2007

CHAMBER
Reasons for referral/principal issues for consideration
Consideration of the Bill as necessary.

Possible submissions or evidence from:
Committee to which bill is to be referred:
Environment, Communications, IT and the Arts

Possible hearing date(s):

Possible reporting date:
30 July 2007

Signed
Senator Stephen Parry
Whip/Selection of Bills Committee member

NOTICES
Postponement
The following items of business were postponed:

Business of the Senate notice of motion no. 1 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 8 August 2007.

Business of the Senate notice of motion no. 3 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, proposing the disapproval of Determination 2007/04: Principal Executive Office (PEO) Classification Structure and Terms and Conditions, postponed till 10 September 2007.

General business notice of motion no. 775 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, proposing the introduction of the Energy Savings (White Certificate Trading) and Productivity Bill 2007, postponed till 7 August 2007.

Senator Faulkner (New South Wales) (9.32 am)—by leave—I move:
That business of the Senate notice of motion no. 4 standing in his name for today, proposing the reference of a matter to the Foreign Affairs, Defence and Trade Committee, be postponed till 7 August 2007.

Question agreed to.

REMUNERATION AND ENTITLEMENTS OF MEMBERS AND SENATORS

Senator Murray (Western Australia) (9.33 am)—I move:
That the Senate requests that the Government ask that an appropriate examination or review be undertaken of the remuneration and entitlements of members and senators by the Remuneration Tribunal, on the basis that it take a holistic view with respect to members’ and senators’ salary packages and allowances, what they need to do their jobs, and their superannuation entitlements; and that the tribunal report to the Government in 2008.

Question negatived.

LIBERAL PARTY

Senator Bartlett (Queensland) (9.34 am)—At the request of Senator Allison, I move:
That the Senate—
(a) considers the use of Kirribilli House, the Prime Minister’s Lodge and Parliament House for political party fundraising to be at odds with the ethical conduct expected of senators, ministers and presiding officers; and
(b) calls on the Government to develop a model code of ethical conduct for ratification and implementation by the Federal Parliament as a matter of urgency.

Question put.
The Senate divided. [9.39 am]
(The President—Senator the Hon. Paul Calvert)

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<td>Majority</td>
<td>2</td>
<td>32</td>
</tr>
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AYES

Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, B.J.
Brown, C.L.  Campbell, G.*
I move:

That the Senate—

(a) notes that:

(i) 21 June 2007 marks one month since Afghan Member of Parliament and democracy advocate Ms Malalai Joya was suspended from the Afghan Parliament as a result of criticising some of its members,

(ii) Ms Joya’s electoral term runs for another 3½ years and she received the second highest number of votes in the district that she represents,

(iii) a core criticism of the Taliban regime was that its treatment of women was deeply oppressive, and

(iv) Ms Joya has been a strident critic of the continued oppression of women in Afghanistan and has said that life for women in Afghanistan today is no better than life under Taliban rule, and

(v) supporters of Ms Joya are organising, around the world in the week beginning 18 June 2007, to mobilise international support for her case and call for her reinstatement to the Afghan Parliament; and

(b) calls on the Government to:

(i) communicate to the Afghan Government its concern at the suspension of Ms Joya from the Parliament and request that she be reinstated to the Afghan Parliament, and

(ii) urge the Afghan Government to take steps to protect and promote the rights of women in Afghanistan.

Question put.

The Senate divided. [9.44 am]

(The President—Senator the Hon. Paul Calvert)

AYES

Allison, L.F. 
Bishop, T.M. 
Brown, C.L. 
Carr, K.J. 
Forshaw, M.G. 
Hurley, A. 
Kirk, L. 
Lundy, K.A. 

31

NOES

Abetz, E. 
Barnett, G. 
Birmingham, S. 
Boyce, S. 
Calvert, P.H. 
Colbeck, R. 
Eggleston, A. 
Fierravanti-Wells, C. 
Fisher, M.J. 
Humphries, G. 
Kemp, C.R. 
Macdonald, J.A.L. 
McGauran, J.J.J. 
Parry, S.* 
Payne, M.A. 
Scullion, N.G. 
Trood, R.B. 

33

Majority………

2
McEwen, A. McLucas, J.E.
Milne, C. Moore, C.
Murray, A.J.M. Nettle, K.
Sherry, N.J. Siewert, R.
Stephens, U. Sterle, G.
Stott Despoja, N. Webber, R.

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Birmingham, S. Boyce, S.
Brandis, G.H. Calvert, P.H.
Chapman, H.G.P. Colbeck, R.
Cormann, M.H.P. Eggleston, A.
Ferguson, A.B. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Heffernan, W. Humphries, G.
Joyce, B. Kemp, C.R.
Lightfoot, P.R. Macdonald, J.A.L.
Mason, B.J. McGaulan, J.J.
Nash, F. Parry, S. *
Patterson, K.C. Payne, M.A.
Ronaldson, M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Watson, J.O.W.

PAIRS
Conroy, S.M. Macdonald, I.
Crossin, P.M. Johnston, D.
Evans, C.V. Ellison, C.M.
Faulkner, J.P. Minchin, N.H.
Polley, H. Coonan, H.L.
Wong, P. Boswell, R.L.D.

* denotes teller

Question negatived.

COMMITTEES

Legal and Constitutional Affairs Committee

Report

Senator BARTLETT (Queensland) (9.46 am)—by leave—I move the motion as amended:

That the Senate—

(a) notes that the Legal and Constitutional Affairs Committee report, ‘Unfinished business: Indigenous stolen wages’ was tabled in the Senate on 7 December 2006;

(b) notes that the report contained six unanimous recommendations, as follows:

Recommendation 1
The committee recommends that the Commonwealth Government and state governments facilitate unhindered access to their archives for Indigenous people and their representatives for the purposes of researching the Indigenous stolen wages issue as a matter of urgency.

Recommendation 2
The committee recommends that the Ministerial Council on Aboriginal and Torres Strait Islander Affairs agree on joint funding arrangements for:

(a) an education and awareness campaign in Indigenous communities in relation to stolen wages issues; and

(b) preliminary legal research on Indigenous stolen wages matters.

Recommendation 3
The committee recommends that the Commonwealth Government provide funding in the next budget to the Australian Institute of Aboriginal and Torres Strait Islander Studies to conduct a national oral history and archival project in relation to Indigenous stolen wages.

Recommendation 4
The committee recommends that:

(a) the Western Australian Government:

(i) urgently consult with Indigenous people in relation to the stolen wages issue; and

(ii) establish a compensation scheme in relation to withholding, underpayment and non-payment of
Indigenous wages and welfare entitlements using the New South Wales scheme as a model, and
(b) the Commonwealth Government conduct preliminary research of its archival material in relation to the stolen wages issues in Western Australia.

Recommendation 5
The committee recommends that the Commonwealth Government in relation to the Northern Territory and the Australian Capital Territory, and the state governments of South Australia, Tasmania and Victoria:
(a) urgently consult with Indigenous people in relation to the stolen wages issue;
(b) conduct preliminary research of their archival material; and
(c) if this consultation and research reveals that similar practices operated in relation to the withholding, underpayment or non-payment of Indigenous wages and welfare entitlements in these states, then establish compensation schemes using the New South Wales scheme as a model.

Recommendation 6
The committee recommends that the Queensland Government revise the terms of its reparations offer so that:
(a) Indigenous claimants are fully compensated for monies withheld from them;
(b) further time is provided for the lodgement of claims;
(c) claimants are able to rely on oral and other circumstantial evidence where the records held by the state are incomplete or are allegedly affected by fraud or forgery;
(d) new or further payments do not require claimants to indemnify the Queensland Government; and
(e) the descendants of claimants who died before 9 May 2002 are included within the terms of the offer.

(c) requests:
(i) the Federal Government to table a response to the report in the Senate by 7 August 2007; and
(ii) state governments to provide a response to the Senate regarding those recommendations which are relevant to them.

Question agreed to.

MILLENNIUM DEVELOPMENT GOALS

Senator SIEWERT (Western Australia) (9.48 am)—I move:
That the Senate
(a) acknowledges that 2007 is the half-time progress mark in the global effort to meet the Millennium Development Goals, which aim to halve extreme global poverty by 2015;
(b) notes that, since the Millennium Declaration was signed by the Prime Minister (Mr Howard) and other world leaders, there has been progress, with:
(i) an additional 34 million children worldwide afforded the opportunity to enter and complete primary school,
(ii) more people than ever receiving treatment for HIV, and
(iii) 30 of the world’s poorest countries receiving debt cancellation or some reduction;
(c) affirms the positive contribution that Australia has already made, by:
(i) providing up-front, Australia’s 10-year contribution to multilateral debt relief for poor nations,
(ii) increasing Australia’s aid budget to approximately $4 billion by 2010,
(iii) strengthening Australia’s commitment to coordinate aid with other donors and better aligning Australia’s aid with partner countries’ own priorities and processes; and

(iv) renewing the focus of Australia’s aid on education and health;

(d) notes that on current progress, the promise of the declaration will not be fulfilled and that many of the Millennium Development Goals will not be achieved unless new action is taken and new resources are mobilised;

(e) affirms the work of the ‘Make Poverty History’ and ‘Micah Challenge’ campaigns in raising public awareness and generating new support for international poverty reduction efforts; and

(f) calls on Australia to continue to play its part in supporting the achievement of the Millennium Development Goals by maintaining and increasing its efforts through:

(i) a generous, effective and poverty-focused aid program,

(ii) a commitment to reducing the unsustainable debt burden of poor countries,

(iii) the promotion of good governance in developing country institutions and communities,

(iv) advocacy for fairer international trade rules, and

(v) addressing the development challenges posed by climate change.

Question put.

The Senate divided. [9.49 am]

(The President—Senator the Hon. Paul Calvert)

Ayes…………. 31
Noes…………. 33
Majority…….. 2

AYES
Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, B.J.
Brown, C.L.  Campbell, G. *
Carr, K.J.  Fielding, S.
Forshaw, M.G.  Hogg, J.J.
Hurley, A.  Hutchins, S.P.
Kirk, L.  Ludwig, J.W.
Landy, K.A.  Marshall, G.
McEwen, A.  McLucas, J.E.
Milne, C.  Moore, C.
Murray, A.J.M.  Nettle, K.
Sherry, N.J.  Siewert, R.
Stephens, U.  Sterle, G.
Stott Despoja, N.  Webber, R.
Wortley, D.

NOES
Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Birmingham, S.  Boyce, S.
Brandis, G.H.  Calvert, P.H.
Chapman, H.G.P.  Colbeck, R.
Cormann, M.H.P.  Eggleston, A.
Ferguson, A.B.  Fierravanti-Wells, C.
Fifield, M.P.  Fisher, M.J.
Heffernan, W.  Humphries, G.
Joyce, B.  Kemp, C.R.
Lightfoot, P.R.  Macaulay, J.A.L.
Mason, B.J.  McGauran, J.J.J.
Nash, F.  Parry, S. *
Patterson, K.C.  Payne, M.A.
Ronaldson, M.  Scullion, N.G.
Troeth, J.M.  Trood, R.B.
Watson, J.O.W.

PAIRS
Conroy, S.M.  Macdonald, I.
Crossin, P.M.  Johnston, D.
Evans, C.V.  Ellison, C.M.
Faulkner, J.P.  Minchin, N.H.
Polley, H.  Coonan, H.L.
Wong, P.  Boswell, R.L.D.

* denotes teller

Question negatived.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (FAIR BANK AND CREDIT CARD FEES) AMENDMENT BILL 2007

First Reading

Senator FIELDING (Victoria—Leader of the Family First Party) (9.51 am)—I move:
That the following bill be introduced: A Bill for an Act to amend the Australian Securities and Investments Commission Act 2001 to limit unfair banking and credit card penalty fees, and for related purposes.

Question agreed to.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.51 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 FIELDING (Victoria—Leader of the Family First Party) (9.51 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—
Family First is fed up with banks making massive profits by ripping off customers with exorbitant bank fees.

Australian families are struggling to make ends meet and copping a penalty fee of up to $50 can be a devastating blow.

That is why Family First is introducing the Australian Securities and Investments Commission (Fair Bank and Credit Card Fees) Amendment Bill 2007, which aims to stop banks slugging customers with unreasonable penalty fees on their accounts and credit cards.

Australians are being robbed by the banks and it is no surprise that the banks are pocketing bumper profits. Banks are a licence to make money. Last year the NAB posted a record profit of $4.4 billion while the ANZ reaped $3.7 billion.

It is time to stop the bank’s ruthless profit grab and time to stop banks fleecing vulnerable Australians.

Family First is particularly concerned that low income families are hardest hit by penalty fees for every dishonoured periodic payment, direct debit or cheque.

For some Australians, that is a third of their weekly income, and a huge burden.

A 2004 report revealed some banks seize up to 16 times the cost of processing dishonoured cheques, and 92 times the cost of processing dishonoured direct debit transactions!

Family First’s Bill will stop fee gouging by banks by:
Ensuring penalty fees are for cost recovery only. All fees and charges must be reasonable and reflect a fair estimate of bank costs;
Boosting the powers of the Australian Securities and Investments Commission (ASIC) to monitor penalty fees. ASIC will also have the power to investigate customer complaints and issues referred by the Treasurer;
Giving customers the right to sue banks for damages if they breach the ASIC Act.

Instead of ripping off customers, Family First believes banks should recognise they have community obligations and actually help customers to AVOID penalty fees.

Family First believes banks should offer credit cards that do not allow customers to exceed their limit.

And Family First believes that banks should ensure that fees appear on ATM screens and phone and Internet banking before transactions are processed, so customers are warned and can cancel their transactions.

Family First applauds the efforts of Choice Magazine and the Consumer Action Law Centre which have launched a new campaign against exorbitant penalty fees.

Family First agrees with Nicole Rich, the centre’s director of policy and campaigns, who remarked that it was a real worry that banks claim they care about community obligations, but then penalise low income Australians with fees that wipe out one third of their weekly income.

Family First urges Australians fed up by banks ripping them off to support the Choice and Consumer Action Law Centre campaign, which in—
includes lobbying the Treasurer and other politicians to demand action.

Family First’s Bill covers banks, building societies, credit unions and other institutions that offer credit cards. It imposes two types of conditions on financial service providers.

Firstly, it would outlaw charging customers penalty fees for a transaction failing when the customer could have no reasonable expectation of knowing it would fail.

For example, the Bill would ban inward cheque dishonour fees, where a customer banks a cheque in good faith but is slugged a penalty fee because the person who wrote the cheque did not have enough money to cover it.

Most banks have abolished this fee, but not all of them. Why should a person be forced to pay a penalty for something they had no control over?

And secondly, the Bill states that penalty fees must be reasonable. They must be a fair estimate of the cost to the financial institution of the event that leads to the charge.

For example, if you write a cheque and don’t realise you have sufficient funds to cover it, you can be charged a reference fee of $30 and a dishonour fee of $50. So that’s an $80 penalty, apart from any embarrassment. Does that $80 penalty fee really reflect the cost to the bank?

Some banks, credit unions or building societies charge penalty fees for failed transactions on an ATM. You can be charged as much as $2 just for entering the wrong pin number, not completing a transaction, pushing the wrong account button or not having enough money.

The Bill provides a remedy of enforceable undertakings, so ASIC can negotiate with a financial service provider and get a written undertaking where there is concern over penalty fees. This saves both ASIC and the financial service provider having to go to court and should provide a faster resolution.

The Bill also gives customers the right to seek compensation if ASIC has taken successful action against a bank.

Family First’s Bill boosts the powers of the corporate watchdog so it can demand information from banks relating to any penalty fee investigations.

The Treasurer may also direct ASIC to investigate penalty fees.

Reserve Bank figures reveal late payment fees on credit cards have risen more than 50 per cent over the last five years from $20 to $31.

And fees for credit cards which are over the limit have climbed 500 per cent from $6 to $30.

The Australian Consumers Association points out that most Australians choose a bank account, credit card or housing loan for the benefits they offer.

Most people do not consider the penalty fees as they do not expect to pay them. That means there is not much of a competitive market to keep fees low.

Because there is strong competition in other areas of banking, it has been claimed financial institutions sometimes try to boost their funds through penalty fees.

It is interesting to note that bank fee income from households has been increasing at a faster rate than business fee income, for most of the last decade. In fact, last year, bank fee income from households topped $9.7 billion.

Unfortunately the Reserve Bank does not publish more detailed information about what percentage of those fees are penalty fees.

Why don’t banks offer customers a credit card which will not allow you to go over the limit, rather than charging a penalty fee when they do?

Why don’t banks warn their customers, for example with an email or SMS, when their card is expected to go over the credit limit with pre-arranged automatic payments, rather than just hitting them with a penalty fee?

By all means financial institutions should be able to cover the reasonable costs of a transaction. But we must stop banks using penalty fees to reap even more millions.

Senator FIELDING—I seek leave to continue my remarks.

Leave granted; debate adjourned.
MIGRATION (CLIMATE REFUGEES) AMENDMENT BILL 2007

First Reading

Senator NETTLE (New South Wales) (9.53 am)—I move:

That the following bill be introduced: A Bill for an Act to recognise refugees of climate change induced environmental disasters, and for related purposes.

Question agreed to.

Senator NETTLE (New South Wales) (9.53 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 NETTLE (New South Wales) (9.53 am)—I move:

That this bill be now read a second time.

I seek leave to table the explanatory memorandum and to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

This Bill formally recognises climate refugees as a responsibility that will pose serious challenges to governments as this century progresses and climate change transforms our environment.

The Stern Report commissioned by the British Government concluded that between 150 million and 200 million people could be displaced by climate change by 2050.

A recent Christian Aid report concluded 250 million people would be displaced by climate change between now and 2050.

The world must prepare for this challenge and this bill is a first step.

We must also lead the world towards new international agreement on how to manage future climate refugees.

Neither the government nor the Labor Party have accepted or understand just how serious the consequences of global warming are.

The Prime Minister is being seriously negligent in presenting the issue as a choice between economic growth and acting to reduce carbon emissions. There is no such choice.

Our society and our economy rely on the environment. If we ruin our environment, then there will be very real and serious economic and social consequences. The Stern Report concluded that unmitigated climate change could cost the global economy more than the ‘combined cost of the two world wars and the Great Depression’.

If we do not act now on climate change, it will cost us a lot more in the future.

Renowned anthropologist, Jared Diamond, in his book Collapse, catalogues numerous civilisations that have grown large, sophisticated and powerful only to disappear suddenly. He concludes that environmental disaster, either from a changing climate or the exhaustion of natural resources is the culprit in these sudden collapses.

Contemporary civilisation now spans the globe and it would be ridiculous to suggest that we are immune to the effects of changing climate and resource depletion.

Climate change will displace people around the world by making their immediate environment unhabitable.

Although our Pacific Island neighbours have made virtually no contribution to the greenhouse pollution now causing climate change, they will be among the first victims.

Already the Carteret islands of Papua New Guinea are being evacuated. The Pacific island nations of Tuvalu and Kiribati are already starting to drown. Nakibae Teuatabo, a representative of Kiribati, spoke to the New Scientist in 2000 about the plight of his country:

“Apart from causing coastal erosion, higher tides are pushing salt water into the fields and into underground fresh-water reservoirs. In some places, it just bubbles up from the ground.”

As the wealthiest country in the Pacific we have a special responsibility to help our neighbours deal with the consequences of climate change and this
should include the migration of displaced people to Australia.

This responsibility is magnified if you consider that Australia is one of the highest per capita emitters of greenhouse pollution and the world’s largest exporter of coal.

Sea level rise does not just threaten remote Pacific islands. Large swathes of Bangladesh are vulnerable; the fertile Nile Delta in Egypt could be swallowed by the seas; major cities such as Shanghai, New York, London and even parts of Sydney are at risk.

14,500 years ago, during a time of global warming after the last Ice Age there was an occurrence of rapid sea level rise. Within 400 years the seas rose 20 metres—that is one metre every twenty years. Recent scientific investigations have revealed information about the fragility of Antarctic ice shelves and their potential to break up, as well as information about the acceleration and retreat of massive glaciers on both Greenland and in Antarctica. This information should cause alarm.

NASA’s top climate modeller, Dr Jim Hansen calls the melting of the world’s ice sheets “a ticking time bomb” and says sea level rise will be “the big global issue”.

It is not just rising sea level that has the capacity to create climate refugees in the near future. As the Earth warms precipitation patterns will change causing catastrophic floods in some areas and in other areas turning currently cultivatable land into desert. Monsoons may change direction and strength and could fail to water the world’s bread baskets.

Mountain glaciers around the world are already shrinking at an alarming rate. The glaciers of the Himalayas are the source of major rivers such as the Indus, Yangtze, Mekong and Ganges that currently sustain half the world’s population.

A couple of degrees of warming could results in many millions being without adequate water and food and on the move as climate refugees.

The climate models suggest that the ‘lungs of the world’, the Amazon rainforest, is vulnerable to more than two degrees of global warming. They predict that rainfall may decrease over the Amazon basin and it could dry up. The likely result would be massive forest fires (similar to the Asian fires of 1998) that would consume the dry rainforest, releasing billions of tonnes more carbon. After the fires have consumed the forest a new savannah would be likely to establish itself in the new climate.

As we heat the planet, climatic zones are predicted to move toward the poles. The Sahara desert may gain rainfall and become greener, while the dry arid climate of North Africa could migrate across the Mediterranean to southern Europe. The weather pattern that provides regular rains that produce half our nation’s wheat in the south west corner of Western Australia is likely to move south over the ocean. South west Western Australia is likely to dry up and experience the aridity of the rest of the state. Similar climatic shifts around the world would displace hundreds of millions of people as the century progresses.

The lesson we must learn is that our climate is a complex and interlinked system upon which we all rely. Pumping billions of tonnes of CO2 is not a wise move. Until relatively recently we were not aware of the consequences of what human-kind has been doing since the industrial revolution. We can no longer plead ignorance. To know what we now know about carbon emissions and to not act decisively to stop climate change would be deeply unethical.

As the scientific knowledge about the climatic consequences of global warming increases, the urgency for action to stop it only amplifies.

A three-degree rise, which is possible within decades, is simply way outside human experience. The last time it was that hot, in the Pliocene era three million years ago, beech trees grew in the Transantarctic mountains and the seas were 25 metres higher.

Mark Lynas, author of the book Six Degrees, which details the likely consequences of climate change (drawn from the available scientific literature) over global temperature rises from 1 to 6 degrees, writes of the seriousness of climate change:

If we had wanted to destroy as much of life on Earth as possible, there would have been no better way of doing it than to dig up and burn as much fossil hydrocarbon as we possibly could.”
Setting a temperature target of two degrees and implementing policies to drastically reduce our greenhouse pollution emissions to 30% by 2020 and at least 80% by 2050 should be the highest national priorities.

We must also prepare the mechanisms to deal with the issue and consequences of climate refugees.

The government of Tuvalu and Kiribati have approached the Australian and New Zealand governments on several occasions to request a plan for the migration of their populations as their homelands become uninhabitable.

New Zealand has implemented a ‘Pacific Access Category’ under which 75 people from Tuvalu and Kiribati may migrate to New Zealand every year.

This bill creates a new class of visa under section 36 of the Migration Act called the ‘climate change refugee visa’.

This bill grants the Minister for Immigration the power to assess an environmental disaster that has displaced people and to make a ‘climate change induced environmental disaster’ declaration.

Such a declaration may only be made by the Minister personally.

When considering whether or not to make such a declaration, the Minister can give consideration to the geographical scope of the disaster; the possibilities for adaptation and the long-term sustainability of the area; the capacity of the country and neighbouring countries to absorb displaced persons; and other international efforts of assist.

Such a declaration may include setting the number of visas that will be issued to people displaced by a declared disaster and the criteria of how such displaced people would apply to be accepted as climate refugees.

The Department of Immigration and Citizenship has told the Senate Estimates Committee that Australia would be able to accept people displaced by environmental disasters through various mechanisms that currently exist within the Migration Act 1958. This Bill formally recognises and implements specific mechanisms by which Australia would assess and accept climate refugees.

Australia should be able to take several hundred climate refugees per year from the Pacific nations of Tuvalu and Kiribati. This would ease the pressure on these nations and prepare the way for their eventual evacuation as the ocean claims the country.

Tuvaluans and other Pacific Islanders do not want to lose their connection with their homeland or their cultural identity. Their preferred option would be for the rest of the world to stop pumping out the billions of tonnes of greenhouse pollution that is causing the rising sea levels. Many may choose to stay until the last bit of land is swallowed by the sea.

Under this bill the Minister for Immigration would have the power to make a declaration that Tuvalu is suffering a climate change induced environmental disaster due to rising sea levels and more intense storms. The Minister could the set a limit of, say, 300 Tuvaluans being accepted as climate refugees per year and set out how they apply and the criteria by which applicants would be assessed.

Climate refugees are currently a minor problem that could become a major global crisis.

Australia should raise the issue of climate refugees within the United Nations. We should work with other nations to form a new international framework to deal with climate refugees in a just and efficient manner.

The United Nations Convention on Refugees has provided a framework for the treatment, assessment and re-settlement of refugees. Millions of people around the world have been provided protection, safety and the chance for a new life under this convention.

Climate refugees are not refugees as defined under the existing convention. They seek refuge not from persecution, although this may be a consequence of climate change, but seek refuge from an environmental disaster or are otherwise displaced by climate change.

The Australian Greens hope that this bill assists in providing guidance and leadership toward a multilateral framework to deal with climate refugees.

The United Nations Secretary General, Ban Ki Moon wrote an opinion piece entitled A Climate Culprit In Darfur in the Washington Post on the
16 June 2007. The Secretary General about the conflict in Darfur, Sudan being partly due to climate change:

“Amid the diverse social and political causes, the Darfur conflict began as an ecological crisis, arising at least in part from climate change.

Two decades ago, the rains in southern Sudan began to fail. According to U.N. statistics, average precipitation has declined some 40 percent since the early 1980s. Scientists at first considered this to be an unfortunate quirk of nature. But subsequent investigation found that it coincided with a rise in temperatures of the Indian Ocean, disrupting seasonal monsoons. This suggests that the drying of sub-Saharan Africa derives, to some degree, from man-made global warming.

...Once the rains stopped, farmers fenced their land for fear it would be ruined by the passing herds. For the first time in memory, there was no longer enough food and water for all. Fighting broke out. By 2003, it evolved into the full-fledged tragedy we witness today.”

The British Home Secretary, John Reid has also cited global warming as a cause of the conflict in Darfur, saying in March:

“The blunt truth is that the lack of water and agricultural land is a significant contributory factor to the tragic conflict we see unfolding in Darfur. We should see this as a warning sign.”

The conflict in Darfur has displaced 1.6 million people within Sudan, with a further 220,000 fleeing across the border into Chad. The conflict has now spread to neighbouring Chad with over 100,000 people already internally displaced within Chad.

The tragedy in Darfur is likely to be repeated elsewhere as global warming progresses and there is increased competition for the remaining natural resources.

Our first priority must be to mitigate global warming as a matter of urgency to avoid a proliferation of conflicts such as Darfur.

Our second priority should be to assist those who will be affected by the global warming already in the pipeline. This bill is a beginning. It sets a framework of how we can assist people in need and will require resources and commitment.

I urge all Senators to open their hearts as well as their minds and support this bill.

I commend the bill to the Senate.

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

Leave granted; debate adjourned.

BUSINESS

Consideration of Legislation

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (9.54 am)—I move government business notice of motion No. 3:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Aged Care Amendment (Residential Care) Bill 2007, allowing it to be considered during this period of sittings.

Question agreed to.

Rearrangement

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (9.54 am)—I move government business notice of motion No. 2:

That the following operate as a temporary order until the conclusion of the 2007 sittings:

If a division is called for on Thursday after 4.30 pm, the matter before the Senate shall be adjourned until the next day of sitting at a time fixed by the Senate.

Question agreed to.

AVIATION LEGISLATION AMENDMENT (2007 MEASURES No. 1) BILL 2007

First Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.55 am)—At the request of Senator Johnston, I move:

That the following bill be introduced: A Bill for Act to amend legislation to aviation, and for related purposes.

Question agreed to.
Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.55 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 ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (9.55 am)—I move:

That this bill be now read a second time.

I table an explanatory memorandum to the bill and seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—
Aviation security is a high priority for this Government and is under constant review to ensure that the regulatory framework is responsive to changing threats to the Australian aviation industry.

This Bill contains a range of amendments that are minor or technical in nature. These amendments are the result of industry suggestions and Government administrative experience. There are four significant amendments in this Bill.

Firstly, the Aviation Transport Security Act 2004 is amended so that regulations can be made to prohibit activities or conduct performed outside a security controlled airport that disrupts or interferes with the operations of a security controlled airport or aircraft. The amendment is consistent with requirements from the International Civil Aviation Organization, of which Australia is a member. The amendment permits regulations to be made that capture disruptive conduct that takes place outside airport boundaries that directly disrupts airport operations or air services.

There is concern in the aviation industry about the increasing incidence of lasers being used to interfere with an aircraft, particularly on approach to and on take-off from airports. The Civil Aviation Act 1988 is amended so that a person who threatens the safety of an aircraft, either by laser or by other means, commits an offence.

Secondly, the Aviation Transport Security Act 2004 now contains further powers for Australian Customs officers at airports. My officers have worked with Customs to develop a sensible model that implements one of the recommendations from the Aviation Security report by Sir John Wheeler. In order to improve aviation security, the amendment utilises customs officers at parts of the airport where uniformed police are unlikely to routinely visit but which are visited by customs officers. The intention of the amendment is to complement but not replace the law enforcement role.

The implementation of this recommendation demonstrates the commitment of the Government to strengthening aviation security.

Thirdly, is an amendment to the Aviation Transport Security Act 2004 which will provide, through Regulations, for the most senior dignitaries, their spouses and minors to be exempt from aviation security screening. Other dignitaries and VIPs will still be able to apply for aviation security screening exemptions on a case-by-case basis. This change to dignitaries that may be exempt from security screening is limited and reflects a balance between Australia’s international legal obligations and security outcomes.

One amendment includes enhancements to the transport security program regime so that it mirrors maritime security legislation. The sensible enhancements will improve the administration of transport security programs and enhance the existing aviation security regime through:

- the ability of an aviation industry participant to request conclusion of their transport security program;
- administrative arrangements whereby the time taken to process transport security program applications is temporarily suspended for the time taken to provide additional information when requested; and
- more flexible approval arrangements for the lifespan of a transport security program.

Finally, the Civil Aviation Act 1988 is amended to enable the Civil Aviation Safety Authority (CASA) to introduce a mandatory drug and alco-
hol regime in the civil aviation industry. This initiative was announced in the 2007-08 Budget. The drug and alcohol regime will have two elements: firstly, companies in the industry will be required to have drug and alcohol programmes that will be regulated and audited by CASA, will be self-funded, and will involve testing, education and support for their employees.

Secondly, CASA will carry out its own testing programme, to test people in the industry such as private pilots and contractors, who have safety sensitive jobs but who are not covered by a company programme, and to satisfy itself that the company programmes are effective. To promote compliance, these elements will be supported by a range of potential enforcement options available to CASA.

The drug and alcohol testing regime will foster a safer workplace for civil aviation workers and the public will benefit broadly from a safer aviation sector. It will introduce drug and alcohol testing in the Australian civil aviation industry in line with other civil aviation industries around the world and with other safety sensitive industries in Australia.

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

COMMITTEES
Publications Committee
Report
Senator PARRY (Tasmania) (9.56 am)—I present the 22nd report of the publications committee.
Ordered that the report be adopted.

Regulations and Ordinances Committee
Report
Senator WATSON (Tasmania) (9.56 am)—I present the 113th report of the Standing Committee on Regulations and Ordinances on consultation under the Legislative Instruments Act 2003.
Ordered that the report be printed.
Senator WATSON—I move:

That the Senate take note of the report.

Under that act, departments and agencies which make legislative instruments are required to undertake ‘appropriate consultation’ before making an instrument, particularly where that instrument is likely to have a direct or a substantial indirect effect on business, or to restrict competition.

In determining whether any consultation is ‘appropriate’, departments and agencies can have regard to any relevant matter, including the knowledge of experts, and the views of persons likely to be affected.

Consultation is not required for all instruments, and the act gives some examples of instruments for which consultation may be unnecessary or inappropriate. For example, those of a machinery nature, urgent instruments, those that affect budget decisions, those that affect national security, those where adequate consultation has been undertaken by someone else or those relating to the Australian Defence Force.

Under section 19 of the act, if there is a failure to consult, it does not affect the validity or enforceability of an instrument—and that is important.

Finally, under section 4 of the act, information about consultation is to be included in the explanatory memorandum tabled with an instrument. In summary, under the consultation regime in the act, departments and agencies do not have to consult with anyone, but they do have to tell the parliament what they have or what they have not done.

Unfortunately, over the past two years, the committee has raised a number of concerns in relation to this consultation regime—and that is the reason for this report today.

First, we are concerned about the number of times we have had to write to departments and agencies reminding them of their obligation to give this information to the parlia-
ment—specifically, 110 times in 2005, 53 times in 2006 and a proportionate number of times so far this year. Two and a half years is surely enough time for departments and agencies to have become aware of this obligation.

At the moment, the duty to include consultation information is hidden away in the definition of ‘explanatory statement’ in section 4 of the act. It may be that making it more prominent might make more departments and agencies aware of it.

Our second concern is with the quality of the information provided. Too often, the explanatory statement simply says, ‘All relevant stakeholders were consulted,’ or ‘All persons likely to be affected were consulted,’ and ‘All views were taken into account in the drafting of the regulation.’ This sort of comment is cursory, generic and unhelpful—both for the committee and for anyone else reading the explanatory statement. It is often the case that a significant amount of consultation has, in fact, been undertaken; it is just that no-one is told about it.

Our third concern is to correct a misconception regarding the operation of the act. The committee often sees a statement to the effect, ‘No consultation was undertaken because this instrument has no effect on business.’ The act requires consultation where an instrument has an effect on business or restricts competition, but if an instrument does not have that effect then the act does not excuse it from consultation. You may still have to consult about an instrument even though it does not affect business.

Our final concern is that some of the exceptions under the act seem to have been resorted to in a somewhat questionable manner. Explanatory statements say that consultation was not undertaken because an instrument was of ‘a minor machinery nature’. However, the instrument itself seems to be a little more significant than that, and makes significant changes to current arrangements, or consultation was not undertaken because an instrument was ‘urgent’. However, there is no explanation as to why the instrument was urgent.

The committee proposes to examine these issues in greater detail and, if necessary, report further to the Senate in late 2007. I thank the Senate.

Senator BARTLETT (Queensland) (10.01 am)—I appreciate that people are trying to get through a lot of business so I will be brief, but this is important. One of the reasons I think this report needs to be made is precisely because people rush through things because there is a lot of work to be done. This committee, which I have been on for quite a few years now, does not do reports very often and the fact that it has felt moved to do a report—an interim report—about this issue signals that there is a matter of concern. Some of the newer senators around may not know the whole history behind the Legislative Instruments Act. It goes back to the Keating era, when it was first put forward to reform, change and modernise the way we deal with legislative instruments. It took, I think, seven or eight years before agreement was eventually reached about how to do that and the Legislative Instruments Act came into force. One of the key sticking points was around how much consultation there should be in putting together legislative instruments, and what penalty there would be if appropriate consultation did not occur.

As it panned out, there was no penalty if consultation did not occur. The concern voiced by those who were anxious about that at the time has been proven to have some substance. They thought that if you did not have a penalty in place then there would be no real requirement for people to do it, or do
it properly. As Senator Watson has just very eloquently outlined, there are a widespread number of legislative instruments where consultation has not taken place or where there has been no indication given of what consultation has taken place.

There is certainly no real feeling in many, many cases that there is an understanding or awareness that this is an integral part of what is required in developing legislative instruments. That is what is in the law, so it is an important thing to flag, and I urge every minister in the place to take notice. Senator Scullion and some of the newer ministers in the place should take note that it can make ministers look bad through no fault of their own. They are obviously just provided with the instruments. They are not the ones who go out and develop them but they sign off on them. It can reflect poorly on ministers and departments when such a fundamental part of a legislative instrument is not properly complied with.

I hasten to add that it might feel as if we have a lot of bills to deal with in this place—and we do—but the number of legislative instruments each year is in the thousands. The fact that they are mostly boring, tedious administrative matters might make it appear as if it does not really matter, but boring, tedious administrative matters impact on people’s lives once they become the law, and if there is no proper consultation before they become the law then people can get caught in very unintended consequences. The font of all wisdom does not lie with the government—whomever is the government of the day—or with the bureaucrats of the day. People who are affected should be consulted, not least because they are likely to have a good idea of what the consequences might be. As this report shows, that is not happening as much as it should, or as comprehensively as it should. That is a matter of serious concern. It is not a policy matter; it is a matter of good public administration—and that is what we should aspire to, whatever our particular policy and philosophical views are. I seek leave to continue my remarks.

Leave granted; debate adjourned.

BUDGET

Consideration by Estimates Committees

Additional Information

Senator NASH (New South Wales) (10.05 am)—At the request of the chairs of the respective committees, I present additional information received by committees relating to estimates as listed at item 7 on today’s Order of Business.


Budget estimates 2006-07 (Supplementary)—

Employment, Workplace Relations and Education—Standing Committee—Additional information received between 23 January and 25 May 2007—Employment and Workplace Relations portfolio.

Environment, Communications, Information Technology and the Arts—Standing Committee—Additional information received between 9 May and 21 May 2007—Communications, Information Technology and the Arts portfolio.

Rural and Regional Affairs and Transport—Standing Committee—Additional information received between 8 May and 19 June 2007—Transport and Regional Services portfolio.

Additional estimates 2006-07—

Employment, Workplace Relations and Education—Standing Committee—Additional information received between—
Parliamentary departments.
Prime Minister and Cabinet portfolio.

COMMITTEES
Finance and Public Administration Committee
Report
The ACTING DEPUTY PRESIDENT (Senator Watson)—At the request of the chair of the Chairs’ Committee, Senator Hogg, I present the committee’s response to recommendation No. 18 of the report of the Finance and Public Administration Committee on transparency and accountability of Commonwealth public funding and expenditure.

FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL (No. 1) 2007
First Reading
Bill received from the House of Representatives.

Senator SCULLION (Northern Territory—Minister for Community Services) (10.06 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 SCULLION (Northern Territory—Minister for Community Services) (10.06 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—
This Financial Framework Legislation Amendment Bill (No.1) 2007 primarily amends Division 3 of Part 4 of the Financial Management and Accountability Act 1997 (FMA Act). That Division consists of five sections, each relating to an ap-
appropriation authority. The Bill also contains a small number of consequential amendments to the Auditor-General Act 1997 and the Legislative Instruments Act 2003, and clarifies another matter in the FMA Act in relation to delegations.

Collectively, these amendments will help reduce red tape in Australian Government administration, simplify the financial framework, and simplify the administration and management of appropriations.

The amendments are evidence of the ongoing, incremental improvements to the financial framework. This is the third Financial Framework Legislation Amendment Bill, with Financial Framework Legislation Amendment Acts having been passed in 2005 and 2006. Each has evidenced ongoing monitoring and review, showing that incremental improvements to the financial framework continue on an ongoing basis. While this area is relatively technical, it is an important part of financial management accountability that the Government takes seriously.

The amendments are primarily intended to clarify the operation of the FMA Act in relation to the management of appropriations. Division 3 of Part 4 of the FMA Act is integral to the day-to-day operations of the Commonwealth. Section 32, for example, comes into play in relation to machinery of government changes. Its operation is of particular importance when functions are moved between agencies. The proposed amendments make it clear, through a Finance Minister’s determination, how the appropriation authority in question moves to the agency receiving the function.

Section 31, in relation to net appropriations, is being significantly streamlined. Currently the section can only be completely understood by reference to three documents: the FMA Act itself, the annual appropriation act in question, and the relevant “section 31 agreement”. Section 31, in its current form, requires the execution of individual agreements, of which there are currently over 80. While such agreements were obviously contemplated with the introduction of the FMA Act nearly ten years ago, it is timely to review whether the current process remains the most efficient way of dealing with net appropriations. The proposed amendment, of having a single point of reference in the regulations, reflects a more efficient way of achieving the same objective. The amendment would do away with the need for bilateral agreements, the administration of which was criticised by the Auditor-General in Audit Report No. 28 of 2005-06, Management of Net Appropriation Agreements. The amendment would instead allow for a regulation to be made, having the same effect, but allowing for a more standardised set of items capable of increasing an agency’s appropriation.

Importantly, the amendment will effectively improve parliamentary scrutiny. Where the current agreements made under section 31 are exempt from disallowance, the arrangements proposed under the amendment to section 31 would mean that the same effect is achieved, but by way of a regulation that is disallowable.

The phrasing of sections 28 and 30 currently appears similar, though the sections apply to quite distinct transactions. The proposed amendments, including to the headings of each of these sections, will clearly distinguish between the two. This will assist agencies in determining which section is relevant to a particular transaction. In short, the amendment to section 28 will clarify the status of repayments by the Commonwealth, while section 30 clarifies repayments to the Commonwealth. In addition, it will be made clearer that these sections can apply to payments between and within agencies.

Section 30A, addressing appropriations and GST, has been streamlined to remove duplicated wording. It has also been amended to clarify both the point at which the GST liability arises, and the point at which the adjustment to the appropriation takes place.

The amendments propose a new section 32A that clarifies that none of the adjustments referred to in fact take place until recorded in an agency’s accounts and records. This ensures that Chief Executives have full oversight and control over the appropriations for which they have responsibility, and that adjustments to appropriations do not happen automatically. It therefore gives relevant officials greater visibility of transactions they must account for. This new provision would also apply to Special Accounts under sections 20 and 21 of the FMA Act.
Section 53 would be amended to clarify Chief Executives’ role in issuing directions when delegating a power or function. The amendment would clarify that, in addition to the directions (if any) to which the Chief Executive is subject, he or she can issue further directions if he or she subdelegates the power in question.

Consequential amendments to the Auditor-General Act 1997 and the Legislative Instruments Act 2003 are required.

Section 52 of the Auditor-General Act 1997 currently relates to agreements made under section 31 of the FMA Act, and would, given the proposed amendments to section 31, no longer have scope to operate and therefore needs to be repealed. Section 52 provides the Auditor-General with the unique ability to consent to changes to a net appropriation agreement affecting the Australian National Audit Office. This protection would no longer be necessary once all such arrangements are moved to a regulation involving parliamentary oversight generally.

Sections 44 and 54 of the Legislative Instruments Act 2003 refer to instruments made under sections 31 and 32 of the FMA Act and, given the proposals for each of those sections relating to the use of a regulation or a determination by the Finance Minister, would become redundant and should be repealed.

I commend the Bill to the House.

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

FOOD STANDARDS AUSTRALIA NEW ZEALAND AMENDMENT BILL 2007
GENE TECHNOLOGY AMENDMENT BILL 2007
MIGRATION AMENDMENT (REVIEW PROVISIONS) BILL 2006 [2007]

Returned from the House of Representatives

Messages received from the House of Representatives returning the bills without amendment.

WORKPLACE RELATIONS AMENDMENT (A STRONGER SAFETY NET) BILL 2007

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

COMMITTEES
Economics Committee

Reference

Senator MILNE (Tasmania) (10.07 am)—I move:

That the following matter be referred to the Economics Committee for inquiry and report by 6 October 2007:

An assessment of the benefits and costs of introducing renewable energy feed-in tariffs in Australia, including an evaluation of:

(a) barriers to the expansion of the renewable energy industry in general and within the electricity market in Australia in particular;

(b) the likelihood that carbon prices generated by an emissions trading system will be insufficient to overcome these barriers in the near term; and

(c) options to link the Mandatory Renewable Energy Target scheme (with an increased target) with feed-in tariffs to guarantee a viable return on investment for investors in a range of prospective renewable energy technologies.

I understand the current workload of Senate committees. However, if the other parties would agree to it, I am certainly open to an expression of interest in supporting such an inquiry and changing the reporting date, because I think this is an absolutely critical matter for us to consider. It was obvious to me in the Senate last week that, currently, the government has not given any thought to feed-in tariffs. I think it is essential that we do. I understand the time pressures of today, so I will speak on this as briefly as I can.
If we agree that we need to constrain a rise in global temperatures to below two degrees in order to avoid catastrophic climate change—and, as yet, there is no agreement; there is global consensus but not consensus by parliament—then we need to set deep emission-cut targets. The Greens have said that we need to go with 80 per cent below 1990 levels by 2050 and 30 per cent below 1990 levels by 2020. That is based on the need to reduce emissions globally and on more of an effort by industrialised countries. Those targets are realistic in that context, especially since the CSIRO has said that we need to have emission reductions somewhere between 60 and 90 per cent. We need to have deep targets and, in order to meet those targets, we will need several things. We need to reduce our energy use but, at the same time, recognise that overall we will need more renewable energy as well as energy efficiency. This goes to the heart of the conversation about feed-in laws. We need to maximise the contribution of renewable energy to achieve those deep cuts in emissions.

Currently, the government is considering the Prime Ministerial Task Group on Emissions Trading report on an emissions trading scheme. What is not clearly understood is that an emissions trading scheme on its own will do nothing to expand renewable energy. That is because the permit price is likely to be too low to stimulate the commercialisation of renewable energy generation. It may stimulate some investment in research and development, but it certainly will not go to commercialisation in the short term. If we are to achieve deep emission cuts quickly, we need to rapidly install renewable energy generation. The likelihood is that an emissions trading scheme will lead to conversion to gas and to greater efficiency in existing energy generation but it will not support the renewables. After we use up our energy efficiency options and move rapidly on those, and while we make some conversions to gas, we also need to build up renewable energy generation so that it can take on more of the load. Currently, we have a mandatory renewable energy target, which is good because it provides certainty about achieving those targets as set, but the problem with the current mandatory renewable energy target is that it is way too low. As it was so successful, we achieved the target rapidly and so that has ended the investment in renewable energy. If we are to reach a real target for renewable energy—and the Greens believe we should reach about 25 per cent by 2020—then we need a rapid rollout of renewable energy.

The problem with the mandatory renewable energy target, which the feed-in laws solve, is that only the cheapest types of renewable energy, such as wind, are actually installed. Because there is a target, people will of course invest in the most competitive renewable energy options. So there is nothing currently that supports more prospective options, particularly in some areas of Australia, such as solar, yet in the longer term these may be better options for the country. This is where feed-in laws come in. What is a feed-in law? For the benefit of Senator Minchin, but also for general awareness, a feed-in law is the world’s most successful policy mechanism for stimulating the rapid development of renewable energy. Sir Nicholas Stern also made that clear in his report last year. They are also the most egalitarian method for determining when, where and how renewable energy generating capacity will be installed. These renewable energy tariffs, or feed-in laws, enable home owners, farmers, cooperatives, Indigenous people et cetera to participate on an equal footing with large commercial developers of renewable energy. They permit the connection of renewable sources of electricity with the electricity utility network and, at the same time, specify how much the renewable generator is paid for.
their electricity. In other words, the utility is required to take renewable energy, from whoever is generating it, from their wind generator—from their home, from their barn or from their warehouse roof—and buy it at a fixed price, for a fixed period. You can borrow money to invest in renewable energy because you know precisely what return you will get on that investment, so banks will lend you the money. That is the basis on which the renewable energy boom has taken place in Europe.

Feed-in laws are not experimental and they are not pilot; they are now being used by many countries in the European Union and they are being used in some states in the US. They have been hugely successful, and particularly successful for farmers who have a lot of roof space by virtue of their facilities. They can actually generate additional sources of income to the traditional farm networks. They are also a mechanism for stimulating jobs in manufacturing and rollout in rural and regional Australia. I will give you an example. Currently we have irrigated cotton at Moree in New South Wales. It is not sustainable in the long term for Australia, a desert nation, to be growing irrigated cotton. At the same time, Solar Heat and Power says that it could roll out 300 megawatts of solar thermal power right now if the price were right. So theoretically a farmer at Moree could switch from cotton growing to the establishment of a solar thermal generation facility on the same area of land. They could do so if there were a feed-in law because that would give them the opportunity to go into partnership with a renewable energy generator, and so on.

Feed-in tariffs can be made differential. So you can say, ‘We think that in the long term this area of Australia has the best wind potential, therefore we will set a feed-in tariff at X for that area.’ It might be less for somewhere else. We are already doing that with solar hot water—in some parts of the country we pay more because we offset more in terms of coal electricity than in other places. This means you can look at areas around Australia with the best potential for solar, the best potential for wind and the best potential for geothermal and set a tariff that will guarantee investment in those renewable energy sectors in those parts of Australia. That has to be good for rural and regional Australia in terms of investment and jobs and it has to be good in terms of putting the manufacturing sector back into communities from which it has been taken because of competition with low-price manufacturing overseas. It is a win-win situation all around.

I cannot see a downside to Australia adopting feed-in laws. It is complementary to emissions trading. It is complementary to MRETs. I certainly do not want to see the MRET lost, as has been recommended by the emissions trading task force. I was surprised when the Labor Party supported the government last week in relation to this and I am concerned that there is a move on to change from a mandatory renewable energy target to a mandatory low-emissions technology target. What that is code for is including clean coal in renewable energy. If that happens, it will completely collapse the market in the long term for those real renewable energy technologies like wind, solar, geothermal and so on. So I certainly hope that the rumours being circulated that Labor is about to abandon the MRET for an MLET are not true, because low-emissions technology is a code word for clean coal. We need to start being very clear about that, actually stop using that euphemism and start calling it what it is. I want to make that very clear.

Some of the hardline economists might say that the problem with feed-in laws is that they rely on picking winners. You have governments and those hardliners sometimes saying that this is a bad thing. But that is
precisely what they are doing when they subsidise clean coal, as they do. I would like to remind the Senate that during the 2005-06 financial year renewable energy received $326 million—that is, three per cent of the total subsidy allowance provided to all fuels. In that same year, oil received 76 per cent of those subsidies, worth $7.4 billion, and coal received 17 per cent, worth $1.7 billion. We have already had policy announcements from both the government and the opposition in relation to spending $500 million on clean coal and nothing like that on various renewable energy sectors.

I am strongly arguing here that the overseas experience says that if you want to get significant cuts in emissions then you need to have a combination of energy efficiency and renewable energy as well as the conversion and phase-out of existing energy production in coal and so on. To do that you need all these mechanisms. You cannot rely on emissions trading; it will do nothing for renewables. I strongly urge the Senate to support a reference to the economics committee so that there can be an analysis of how feed-in laws in Australia could be used to cost-effectively roll out renewable energy to create jobs and new manufacturing investment in rural and regional Australia. This would be a win-win all around. We have plenty of overseas experience we can draw on for feed-in tariffs. I think there would be huge excitement in Australia if the community knew that it could go and borrow to invest in renewable energy because it had a guaranteed fixed price over a fixed period of time for the purchase of that energy. It would be a huge boost because, as I said, it is a flexible mechanism whereby you can set different tariffs for different technologies and essentially give a real boost to all of your renewables at the same time. I urge the Senate to support this reference to the committee. As I indicated, I am perfectly open to an amendment to the motion in terms of the date for a report. I am happy to take the reporting time out longer than that proposed because of the workload. But I would be really disappointed if the Senate did not support the idea of sending this to the committee for an evaluation of feed-in tariffs. I will wait to see what other members of the Senate think about this reference, but I urge senators to support it.

**Senator RONALDSON** (Victoria) (10.21 am)—I am sorry to disappoint the honourable senator but we will certainly be opposing this motion. It is premature to be undertaking a detailed cost-benefit assessment of a feed-in tariff before key emissions trading scheme design features are finalised—and I would have thought the honourable senator would be aware of that. The Prime Minister has announced that Australia will move towards a domestic emissions trading system beginning from no later than 2012. The scheme will be national in scope and as comprehensive as practicable. It will be designed to take account of global developments and to preserve the competitiveness of our trade exposed, emissions-intensive industries. A long-term aspirational goal for reducing carbon emissions will be set next year, but we will need to assess very carefully with detailed economic modelling the impact any target will have on Australia’s economy and Australian families.

This is always the difficulty with the Australian Greens. In their almost hysterical paranoia to pursue single-issue matters without looking at them in a global and national sense, they continue to come into this chamber with a narrow focus that does not take into account the long-term aspirations and requirements of the wider Australian community. The Leader of the Greens yesterday embarked on an appalling personal attack on someone who has made a significant commitment to the community. For Senator Brown to engage in that activity yesterday
was an utter disgrace. Senator Brown, you used coward’s castle yesterday to attack a man of integrity, and I am afraid that the best description for you in that regard is ‘spineless’. You are a spineless individual who uses coward’s castle to attack the integrity of good people.

There is no reason why we should pay higher energy—

Senator Milne—Mr Acting Deputy President, on a point of order: the standing orders do not allow that kind of personal reflection on a member, and I ask the senator to withdraw.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Senator Ronaldson, the word ‘spineless’ has previously been ruled to be unparliamentary, so I ask you to withdraw it.

Senator RONALDSON—Mr Acting Deputy President, at your request I will of course withdraw that. I will say—

Senator Bob Brown interjecting—

Senator RONALDSON—Excuse me, I am on my feet.

Senator Bob Brown interjecting—

Senator RONALDSON—I am responding to the Acting Deputy President. You will have your turn in a second. Mr Deputy President, I will of course abide by your ruling.

Senator Bob Brown—Mr Acting Deputy President, on a point order: the backbench senator’s contribution is totally irrelevant to the matter at hand. I think he is talking about comments I made at the press boxes yesterday, not here. So he is right off beam anyway, if that is indeed what he is referring to. But it has nothing to do with the matter at hand, and I ask you to bring him back to the topic.

The ACTING DEPUTY PRESIDENT—I am not aware of what happened yesterday, so I am listening very carefully.

Senator Bob Brown—Mr Acting Deputy President, I ask you to bring him back to the matter at hand.

The ACTING DEPUTY PRESIDENT—I am sure he will come back.

Senator Bob Brown—I hope your assurance works out, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—I am sure it will. Senator Ronaldson.

Senator RONALDSON—I am sure your advice is always gracefully received, too, Senator Brown.

Senator Bob Brown—You’d do well to take it.

Senator RONALDSON—If you want to interject, I am happy to take the interjection. You have just complained that we are not being relevant and then you interject with non-relevant matters. On that basis, I will repeat what I said before: you are a man who is quite happy to attack—

Senator Bob Brown—Address the chair.

Senator RONALDSON—Which way do you want it? Do you want this debate or the other one? It does not worry me.

Senator Bob Brown—Mr Acting Deputy President, on a point of order: perhaps the new member is not familiar with the standing orders, but he should be addressing the chair.

The ACTING DEPUTY PRESIDENT—Senator Brown, I remind you that interjections are disorderly, and they are causing the problem.

Senator Bob Brown—Mr Acting Deputy President, I asked you to have the member address the chair. I ask you to rule on that point of order.
The ACTING DEPUTY PRESIDENT—
I am sure the honourable senator will address the chair in his future remarks.

Senator RONALDSON—If you want to talk about experience, I have been around a lot longer than you, my fine-feathered friend. I can assure you of that. Australia should not pay higher energy costs than is necessary to achieve emissions reductions—in other words, governments need to let the market sort out the most efficient means of lowering emissions with all emissions technologies on the table. This is the problem with Senator Milne’s comments before in which she talked about her views on hardline economists. The market needs to sort these out using all available technologies. It will get the most efficient means of lowering emissions with all those technologies on the table. The Australian government focuses on developing an emissions trading scheme that pulls through technology, rather than securing a plethora of conflicting price signals and red tape. An emissions trading scheme involving forward signalling of progressively more stringent emissions caps will provide incentives to move technologies, including renewables, towards deployment and encourage investment in low emissions technology by investors. This government has invested significantly in renewable energy.

I am mindful of the time and of the need for the Senate to get up at a reasonable time at the end of this sitting week, but I do want to make a couple of comments. For all that we hear from the Australian Greens in relation to this matter, I think the most interesting thing about this debate is: which was the first country in the world to have a greenhouse gas emissions office? Which was the first country in the world to do it and which government introduced it? Senator Milne knows exactly who it was. It was this government. Look at our substantial investment in this area. I would assume that Senator Milne supports the direction in which we have put our funding. We have clearly moved to address the sorts of issues that Senator Milne is referring to. Do I need to go any further than the Low Emissions Technology Demonstration Fund, $500 million; the Renewable Energy Development Initiative, $100 million; $100 million as part of the Asia-Pacific Partnership on Clean Development and Climate; and the Solar Cities program? I could go on.

The government’s mandatory renewable energy target has leveraged around $3.5 billion in private sector renewable energy investment to increase renewable energy generation by more than 50 per cent compared with the 1997 level. As I said before, we have invested some $3 billion towards renewable energy. We are proud of our investment in this area, and we will not be lectured by the Australian Greens on our commitment in this area. We will not sit back and be lectured by you. Senator Milne, if you were serious about this matter, you would be acutely aware that this is premature, and you must acknowledge that it is premature. I can only assume on that basis that this is done for cheap political reasons. It will be opposed. It will be opposed on the basis that it is premature, that it cannot possibly achieve whatever it is designed to achieve until all those matters have been discussed and until those issues have been addressed. Until you know what the design features of a key emissions trading scheme are, this is a pointless motion and it will be opposed.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.31 am)—The Democrats strongly support this reference to the Economics Committee on the matter of feed-in tariffs. I will not refer to Senator Ronaldson’s invective but try to sort out the substantive arguments he was attempting to make. One of those was that this is premature before we have an emissions trading
system. This is nothing to do with emissions trading. This is to give an as of right to individuals—whether it is someone with solar panel on their rooftop or whether it is a wind farm or whether it is hot rocks power generation—to feed electricity onto our grid. That is called distributed generation. That means moving away from the big coal fired power stations and distributing energy generation more broadly around this country.

The opportunities to do that were taken away to some extent when we moved in this country to a national grid, with privatisation and restructuring of the electricity sector. There is little incentive for the electricity grid to pick up on those electricity generators who create more energy than they need. That is what this is about. There is nothing new about it. Germany has been doing it for some time and very successfully. It is to remove a barrier to those generators who produce electricity to get it onto the grid and to set a fair price for the electricity that is so generated.

So it is absurd for Senator Ronaldson to say that we have to wait until we have got economic modelling and that it does not take into account the aspirations of the wider community. What an absurd thing to say. Seventy-four per cent of Australians, in a survey just the other day, said that they would prefer to see renewable energy and energy efficiency as the top priorities for government in encouraging reductions in greenhouse emissions. They do not want nuclear; they do not want clean coal. They do want an emissions trading system and they have been wanting one for a while. What they want is an emphasis on renewable energy, particularly energy efficiency. This reference to the committee would provide an opportunity to debate how we could introduce such a scheme into this country. The states have dropped this; they do not want to know about it, which is a great disappointment, because they could introduce a feed-in tariff. For some reason they are reluctant to do so. It does not mean the end of the world economically. It would not necessarily mean that electricity prices would be higher. It is simply saying that we now need to move to a situation where not all of our electricity is generated by big coal fired power stations. We need to move to a situation where there is a much broader range of generation from a more diverse set of locations around the country, whether that is you with your solar panel on your house—in my case, in Port Melbourne—or whether it is another, bigger generation of various sorts in a different location.

So this is nothing to do—and I emphasise this—with emissions trading; nothing whatsoever. In fact, it has links with the mandated renewable energy target and it would facilitate much quicker and better access by those who were part of the MRET scheme if it were agreed on. Conservation groups are interested in energy and in improving our appalling record on greenhouse emissions in this country. There has been a 143 per cent increase on 1990 levels in our greenhouse emissions from electricity generation. This move would go a long way to solving some of the problems for those who would want to bring electricity onto the grid. MRET, as we all know, is not going far enough. Because of its low target, because so many sources of electricity comply, MRET is going to see a fall-off this year in new projects that rely on that target for their viability.

This is an important reference. It is disappointing that the government is not prepared to talk about it. It just means that we at this end of the chamber have to keep bringing it to the attention of government. It would have been good to have had the experts come together so that we could have a report and demonstrate just the point that I have made—that this is nothing to do with emissions trading.
Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.36 am)—Well said, Senator Allison, and, before that, Senator Milne. The motion here is to get information so that the parliament can be informed about feed-in laws, which are working very effectively overseas, particularly in Germany. Senator Ronaldson fled the chamber after his contribution. You have to feel sorry for him; no-one on the government benches has the foggiest idea what this is about. When you get ignorance of that sort, very often it feeds upon itself. Instead of government members trying to find out what feed-in laws are about and how they can improve the energy configuration, stimulate the economy and stimulate small business in particular, their ignorance compounds itself. I would have thought that, when the allocation of the response to this motion from Senator Milne was considered by the government, they could have selected somebody who would at least be able to string together sentences which meant something and were positive. Instead of that, we had a senator in real trouble, totally ignorant of the issues, whose best contribution, perhaps, was to flee the chamber as soon as he could, straight after he had sat down.

I first moved to get feed-in laws in Tasmania back in the 1980s, I think, and you, Senator Milne, would have followed after that. They do work well; they are an important stimulus, particularly to renewable energy. The stories in Germany of the people who gained advantage from these feed-in laws and helped that country reduce its greenhouse gas emissions enormously are legion. It is just a pity that the government not only does not understand this but is determined to remain in ignorance. This is not a motion that says we should bring in these laws—although it should be: we should be way past that and they should be part of the Australian economy by now. It is a motion to enlighten the Senate about the advantages and the problems, if any, of introducing renewable energy feed-in tariffs in Australia.

Senator Milne is to be congratulated for having brought the motion forward. The depth of the government’s ignorance and hostility towards the options available in a climate change challenged world is despairing. We are facing enormous problems, with multitrillion-dollar damage to the global economy and multibillion-dollar damage to the Australian economy. The problems from climate change will flow on to all families in coming decades in Australia, and here we have the government saying, ‘No, we won’t look at options that are working overseas in order to help this country tackle the problem of climate change.’ It is just studied ignorance.

Senator MILNE (Tasmania) (10.40 am)—I thank my colleagues for their remarks in relation to this motion. In particular, I would like to acknowledge the support for this reference from Senator Allison, from the Democrats, because I know that for a long time she has been supporting it. I have heard the Labor Party express support for a range of mechanisms in this regard, but I particularly want to address the remarks made by Senator Ronaldson. Not only is it shocking that a senator in this day and age can demonstrate such a low level of understanding of climate change and the financial mechanisms needed to respond to it, but what is even more shocking is that he is Chair of the Senate Standing Committee on Economics, to which this reference was to be referred.

Whilst the government and government members may be congratulating Senator Ronaldson for his strident opposition to this reference on feed-in laws, everyone out there in the community who wants a reduction in greenhouse gas emissions, all those people in
the renewable energy sector who are desper-
ate for investment and all those that want
investment in manufacturing and jobs in
their rural communities will be horrified to
know that the chair of the Senate economics
committee is blocking the potential for that
to occur. Everybody interested in the climate
change debate, when the Prime Minister tries
to tell Australia that he is no longer a sceptic
on climate change, will be able to refer to the
remarks made today and show that the gov-
ernment remains sceptical on climate
change. It does not understand it and does
not want to understand it.

If Senator Ronaldson had any idea he
would understand the point that was being
made. The point that was being made about
emissions trading is that the committee and
the Prime Minister have said that the price
on carbon will be low and will start low, and
we know that if you have a low carbon price
there will be no investment in renewable
energy. The experience overseas has been
that emissions trading has done nothing for
investment in renewable energy. The point
that I was making is that emissions trad-
ing law will accelerate energy efficiency. It
will accelerate conversion to gas, but it will
not involve real investment in commer-
cialisation of renewable energy, and that is why
you need complementary mechanisms.

So when Senator Ronaldson talked about
narrow focus he can only have been referring
to the government, and when he talked about
a refusal to look at the global picture he can
only have been talking about the govern-
ment. In fact, it is the Greens who are look-
ing at a broad, global perspective. For the
benefit of the government and Senator Ronal-
don, who apparently does not want
the economics committee to know how the
rest of the world is dealing with this and who
does not want Treasury and the government
to look at it, I would like to inform them that
the following countries have all brought in
feed-in laws: Austria, Brazil, Canada, China,
Cyprus, the Czech Republic, Denmark, Es-
tonia, France, Germany, Greece, Hungary,
Ireland, Israel, Italy, the Republic of Korea,
Lithuania, Luxembourg, the Netherlands,
Portugal, Singapore, Spain, Sweden, Swit-
zerland and the US. So it seems as though
the Greens are in extremely good company
around the world when it comes to address-
ning the issue of renewable energy.

I note that up until the announcement by
the Prime Minister that the government was
going to have a task group to look at emis-
sions trading Senator Ronaldson in the Sen-
ate had declared himself a climate sceptic
time and time again. He stood up here until a
couple of months ago and ridiculed the
Greens for being concerned about global
warming. He was arguing that it was not oc-
curring, that there was not the scientific
proof and so on. Now he is trying to suggest
that somehow he has got the interests of the
wider Australian community at heart.

The refusal to look at this issue of feed-in
laws will be seen by the entire community
wanting to deal with a reduction in green-
house gases as sheer and utter ignorance
from the government and it will reinforce the
view in the Australian community that for 11
years the Howard government has dropped
the ball on climate change. Senator Ronalds-
on may be feeling good about the tone of
his remarks addressed to the Greens today,
but the feedback the government will get is
that the change to the committee system and
the government’s ignorance on climate
change are things that the community does
not intend to reward—and I certainly hope
that they will not reward it in the forthcom-
ing federal election. Whatever happens, we
cannot allow a chair of a Senate economics
committee to be so ignorant about addressing
the economics of climate change. That is
humiliating for this country, and the govern-
ment should not even be allowing it. They
should be trying to pretend at least that they have a better grasp of the situation. First of all we had the Leader of the Government in the Senate last week demonstrating that he had no idea what a feed-in law was and now we have Senator Ronaldson expanding on that level of ignorance.

The point is that the Greens have been working on climate change and global warming for more than 20 years. We have been talking to people around the world. I have been attending global conferences on climate change for a very long time. And I am not alone in that. There are millions of people around the world working in the same way. The government ought to acknowledge that it is trying to catch up in a matter of a few months on what people have been doing for 20 years. We know that the ANU has sliver cell technology and they are desperate to commercialise that in Australia. It has been commercialised to one level by Origin Energy but will probably have to go offshore, as have Solar Heat and Power to California, as has Vestas in pulling out of Tasmania with wind energy, and as has Dr Shi in going to China.

It should be a matter of concern to the chair of the economics committee that Australia’s manufacturing sector has been hollowed out and he ought to be able to see that there is a real opportunity for investment in manufacturing and jobs in rural and regional Australia in renewable energy. He ought to be able to see that emissions trading does nothing for investment in renewable energy unless the price is high enough, and we know the price is not going to be high enough. As for the argument about the market taking care of it, I point out to Senator Ronaldson that an economist of much more senior status than himself, none other than Sir Nicholas Stern, has said that climate change represents the greatest market failure of all time. The market has failed the planet when it comes to climate change and global warming. We need intervention with market mechanisms plus regulation.

I return to the point I made earlier: once Australia decides what level of warming it is prepared to tolerate it must then decide the level of emissions cuts it needs and on the combination of mechanisms to get there. Emissions trading is one, plus a mandatory renewable energy target, plus a feed-in tariff. I think that the government is completely wrong in its reading of the Australian community. I have spoken to several people who say that they would love to have the opportunity to contribute to the solution to climate change by making it cost effective for them to generate renewable energy, and it is not cost effective for them to do it at the moment. People would love to cover their roofs with photovoltaics. Farmers would love to cover their sheds with photovoltaics. They would like to have a wind turbine on their property—one or two or three—but the capital cost is too great. That is what they say all time.

I am aware that another policy option that Labor has put forward is low-interest loans. My problem with that is that you still have to be in a credit situation to be able to borrow money in order to be able to repay the loans. The advantage of a feed-in law is, because it is a fixed price for the particular kind of renewable energy over a set period of time, you can borrow the money because you know that you can cover repayments in full. It is a fabulous mechanism for allowing people to do it.

In Germany—for the benefit of Senator Ronaldson—local governments have invested heavily in putting photovoltaics on the divide between highways. I notice that even in Victoria the Bracks government is moving to put photovoltaics on the noise buffers of one of its freeways. Anywhere you
have a space you can invest in renewable energy providing it is cost effective for you to do so. If the government wants to win an election on climate change then it needs to persuade Australians that there is a capacity for everybody to participate in the generation of renewable energy and get excited about the potential to solve the problem, not tell them that it will actively block—and that is what this is doing—investment in renewable energy by refusing to consider feed-in tariffs and instead talk about its low-emissions technology fund, which everybody knows is overwhelmingly going to clean coal. Even BHP said this week that that technology is 20 years away. This is no response to climate change. We have got until 2015 for global emissions to peak and then to be reduced. Nuclear and clean coal, if ever, will not be on stream until at least the 2020s. So they are not a solution. We need to be using our good sense to bring in market mechanisms and regulation that actually work.

What is more, for a government that is worried about issues like subsidies, the feed-in laws are a mechanism that allows the financing of renewable energy in a way that is not a direct subsidy. So you should be interested in that, but instead of that we have the chair of the Senate economics committee demonstrating that he knows nothing about it and that in fact at heart he remains a climate sceptic. He is getting on board with mumbo-jumbo about emissions trading because he does not even understand that—he has just grabbed a few lines out of the report. He does not understand the connections and what an emissions trading scheme might do, what a feed-in law might do and what a mandatory renewable energy target might do. I express deep regret and, in fact, anger about the fact that the government wants to be so ignorant on addressing climate change and greenhouse gas emissions. It is not about politics; it is about future generations. It is about enabling people to make a difference. All we are seeing is studied ignorance.

In another 10 or 15 years, as the climate deteriorates, we will have more extreme weather events and the droughts around Australia will dig deeper into rural and regional Australia, as we have already seen with the collapse of the Murray-Darling and the bleaching of the Great Barrier Reef, and as we are going to see with sea level rises and coastal vulnerability. When that occurs and we see the billions that it is currently costing and will cost, then people like Senator Ronaldson and the government members who are supporting him need to take personal responsibility for the actions they are taking now to prevent this country playing its role in reducing global emissions. This is a case of personal responsibility because unlike other things it is going to happen and is happening in our lifetime. So we are all going to be held accountable whether we like it or not. If the government is going to block renewable energy and solutions to climate change, I am glad that the chair of the economics committee can be held up and shown to the other chairs of economics committees in all the countries around the world and it can be said, ‘This is the best the Australian government can do on economics’—roll him out as a speaker.

On that basis, I express regret that the government is not even open enough to the idea of Treasury opening its mind to the possibility of feed-in laws. I have no doubt that we will have feed-in laws in Australia but we will have them later than we should have had them because the government blocked them. When feed-in laws come in, no doubt we will hear the same senators standing up and saying, ‘Oh, if only we had known in 2007 what we know now, of course we would have proceeded.’ Well, they cannot say that because they do know now. The Greens stand here and tell them that this is the ex-
perience overseas and this is what we should be doing in Australia. What we are seeing is studied ignorance from a government which remains sceptical of climate change in the face of the greatest catastrophe facing humankind and the ecological systems of the planet. I ask the government to reconsider its position on this motion regarding the reference to the economics committee, and I urge the Senate to support it.

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

The Senate divided. [11.00 am]
(The Acting Deputy President—Senator HGP Chapman)

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<tr>
<th>AYES</th>
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**AYES**

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

**NOES**

Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Birmingham, S.  Boswell, R.L.D.
Boyce, S.  Chapman, H.G.P.
Colbeck, R.  Cormann, M.H.P.
Eggleston, A.  Ferguson, A.B.
Fierravanti-Wells, C.  Fifield, M.P.
Fisher, M.J.  Heffernan, W.
Humphries, G.  Johnston, D.
Joyce, B.  Kemp, C.R.

Lightfoot, P.R.  Macdonald, J.A.L.
Mason, B.J.  McGauran, J.J.J.
Nash, F.*  Parry, S.
Patterson, K.C.  Payne, M.A.
Ronaldson, M.  Scullion, N.G.
Troeth, J.M.  Trood, R.B.
Watson, J.O.W.

**PAIRS**

Carr, K.J.  Macdonald, I.
Crossin, P.M.  Ellison, C.M.
Evans, C.V.  Brandis, G.H.
Polley, H.  Minchin, N.H.
Stephens, U.  Calvert, P.H.
Lundy, K.A.  Coonan, H.L.

* denotes teller

Question negatived.

**PARLIAMENTARY ZONE**

Approval of Works

**Senator MASON** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.04 am)—At the request of Senator Abetz, I move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the construction of an extension to the National Gallery of Australia.

Question agreed to.

**WHEAT MARKETING AMENDMENT BILL 2007**

Second Reading

Debate resumed from 20 June, on motion by Senator Johnston:

That this bill be now read a second time.

**Senator O’BRIEN** (Tasmania) (11.04 am)—It has come to this. The government pursues the ramming through of the Wheat Marketing Amendment Bill 2007 within a week of its introduction, without adequate consultation with growers or their representatives and without an opportunity for the parliament to examine it through a committee which would have the time to test the
various aspects of the legislation and consult with growers and grower organisations, come to a view and make a recommendation to this place to deal with any potential flaws in the legislation and any potential unintended consequences. Usually, when the government rams legislation through the parliament with this haste, we find that we need to come back and revisit it because the government usually gets it wrong in some respect. The drafting usually does not encompass the knowledge that the industry has of itself, because, of necessity, the draftsperson is a specialist in drafting, not a specialist in the industry concerned.

And, as we have seen, not only has the legislation only been introduced a week ago but it has already been amended in the House of Representatives. So much for the control of the subject by the Minister for Agriculture, Fisheries and Forestry. After all of the disputes in the coalition party room, after all of the problems that existed there, one would have thought that the minister—allegedly, with the assistance of the Prime Minister, thrashed the matter out—could have got it right when he produced the legislation for the House of Representatives. But, no, it had to be amended in the House of Representatives before it came here. Indeed, as far as Labor is concerned, it is still an inadequate legislative approach to the wheat industry.

This is a government that is regularly failing the wheat industry. It is a serial failure with regard to the wheat industry. The first failure was of course—

Senator Boswell—You’ve got to be joking!

Senator O’BRIEN—No, I am not joking. I will take that interjection from the buffoon from Queensland.

Senator Boswell interjecting—

Senator O’BRIEN—Well, it is very interesting that—

Senator Parry—Mr Acting Deputy President, I raise a point of order. I think the term used to describe Senator Boswell is unparliamentary, and it should be withdrawn.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—I would agree. I ask Senator O’Brien to withdraw that term.

Senator O’BRIEN—I withdraw that term. The fact of the matter is that this government has failed the wheat industry and failed it on a regular basis. It failed when it introduced the current wheat marketing arrangements in 1997-99, when it went through the process of setting up the current model. It set up a flawed single-desk model which, frankly, is the basis of the difficulties that the industry faces today. And, despite many authoritative warnings, time and again, year after year, the Howard government ignored calls for reform. This model, which came into effect on 1 July 1999, converted the Australian Wheat Board from a government owned corporation to a private company—AWB Ltd—which was owned and controlled by growers, and AWB Ltd’s subsidiary, AWB International, was established to manage the export single desk. In doing that, the Howard government legislated a protected monopoly status for a private company.

This government’s second failure was when the Wheat Export Authority provisions were put into legislation. In our view it was designed to fail. When the single-desk model established the Wheat Export Authority it should have given it sufficient powers to oversee AWB and its subsidiaries. The Wheat Export Authority should have been provided with adequate powers to ensure that AWB’s corporate conduct was not only ethical but lawful. The Wheat Export Authority should have been able to act before AWB...
was allowed to engage in corrupt conduct in relation to the wheat for weapons scandals. The board of the Wheat Export Authority should have been sufficiently independent of industry and the executive, and appointments should have been based on expertise in business and marketing. These were failures inherent in the model that the Howard government established, and they resulted in a lack of transparency, a lack of accountability and major failings in corporate governance. The government ignored warnings about these governance failures from the national competition policy review in 2000 and from Senate inquiry in 2003. It ignored multiple warnings from the regulator itself as well as repeated calls for reform from grower groups. Despite these warnings, the government failed to introduce any substantial reform for the Wheat Export Authority.

This government’s third failure was not to resolve the conflict of interest between AWB Ltd and AWBI, and many on the government side have been keen to raise that very issue over the last four or five years, so it is not an issue which has been unknown to the government. As I said, the problem was inherent in the model that the government established. It was identified by the national competition policy review in 2000, and that review recommended changes to remove the inherent conflict of interest. But the coalition ignored the recommendations, and the arrangement has persisted to the detriment of wheat growers.

Under the model, one of the key functions of AWB Ltd was to provide services to AWB International to enable it to manage the pool. A total of 77 separate services were provided, and there was no requirement that they be contestable. As a result, returns to growers from the pool have not been maximised because the cost of operating the pool has not been minimised.

The government’s fifth failure was the failure of accountability. It ignored Senate recommendations—unanimous cross-party recommendations—on things such as the regulation of boxed and bagged wheat back in 2003, reforms to governance and the WEA’s oversight of AWB International, and measures to address the conflict of interest. These were unanimous recommendations from the Senate Rural and Regional Affairs and Transport Legislation Committee, which included members of the coalition, and the government and the National Party minister ignored those recommendations. We are now seeing an attempt to remedy another of the failures, which was the regulation of boxed and bagged wheat. Only now, after almost eight years of operation of this scheme, are we seeing that there is a move to deregulate boxed and bagged wheat, which, as I say, was recommended four years ago.

The wheat for weapons scandal and the damage that that has caused Australia as a trading nation is, in every way, a direct responsibility of this government in the way that it has failed to equip the regulator to oversee AWB Ltd and AWB International. Over a period of seven years, between 1998 and 2005, there were dozens of warnings received by the highest level of the Australian government from official agencies, including the Australian UN mission in New York, the Canadian government, the United Nations, Australia’s US trade commissioner, the Department of Foreign Affairs and Trade and the Iraqi Provisional Coalition Authority. But the Howard government failed to take any action and preferred to accept AWB advice that the allegations of corruption were unfounded.

We then saw the Cole commission, which the government successfully corralled so that it could not focus on the government’s failings, but Commissioner Cole did make a
critical recommendation in relation to wheat marketing. His report stated:

... that there be a review of the powers, functions and responsibilities of the body charged with controlling and monitoring any Australian monopoly wheat exporter. A strong and vigorous monitor is required to ensure that proper standards of commercial conduct are adhered to.

The government still has not responded in any adequate way to that recommendation. To all intents and purposes it has ignored Commissioner Cole’s recommendation. The Prime Minister has acknowledged the need to address the Wheat Export Authority’s powers to oversee wheat marketing but, in terms of what is in this bill, I would say that the changes are minimal.

Last month the Prime Minister referred to the critical opportunity for the government to take a strategic decision in relation to the AWB and wheat marketing generally. It was an opportunity to prove to Australia’s farming and investment community that he actually had a plan for the wheat industry, but pretty clearly, from this legislation, we see that the government only has a plan for the next election. And, in relation to that, it will be very interesting to see what the industry is going to do with the model that the government puts forward.

Isn’t it interesting that when the government has come forward with a piece of legislation which says, ‘Well, we really aren’t going to be in a position to tell you what we’re going to do until after the election; we’re really not going to be in a position’—

Senator Johnston—That’s what you’re saying!

Senator O’BRIEN—No, it is not what I am saying; it is what you are saying. The dishonesty of the government’s position in this debate is manifest. The government is putting down a piece of legislation which effectively says, ‘In the event that a yet to be formed body cannot be formed by 1 March to manage a multibillion-dollar export market, with all the arrangements in place to do that, we are going to revert to AWB.’ That is what the bill says.

Senator Boswell—No, it doesn’t.

Senator Adams—No, it doesn’t.

Senator O’BRIEN—I think you should tell the truth, because that is what the bill says.

Senator Johnston—No, it doesn’t!

Senator O’BRIEN—We will test the coalition on that issue during this debate

Senator Boswell—You don’t understand it.

Senator O’BRIEN—Frankly, there is a bit of a con going on between the National Party and the Liberal Party in relation to this debate.

Senator Johnston interjecting—

Senator O’BRIEN—Clearly, Senator Johnston has been conned, because he does not understand what the legislation says. It is interesting that Senator Johnston has not said a word in these debates. He is a senator from Western Australia—a senator from a state that exports a whole lot of wheat—and he has never said a word in these debates, but he wants to interject because the government are embarrassed about this. They want to rush this thing through the parliament. That is why they did not want an inquiry. The government wanted this thing through the parliament without an inquiry because they did not want growers to have a say. They did not want an inquiry to embarrass them. They did not want the dispute within the party room to go on—which it would have because the inquiry would have showed that there are serious deficiencies in this piece of legislation.

The only part of this legislation that has any urgency at all, considering we have
waited years in relation to the deregulation of boxed and bagged wheat, is the extension of the veto power to be held by the minister on the basis that it should not refer to AWB. Frankly, in the original bill, that is exactly what would have happened on 1 July. So there has been a concession made to part of the argument in the coalition party room in amendments that have now been made to the original bill—that is, that AWB cannot have the veto power. But it can have the single desk. Indeed, that is what the legislation says. If government members say that that is not the case, they have not read it—they do not know it. All we are depending on is the suggestion that something will happen after the election—something which has not been defined, something which may well be different things in the minds of different members of the coalition party room. It certainly has not been spelt out to wheat growers and it certainly has not been spelt out to the community.

We have given a contingent notice to split this bill so that the issue of the veto power can be dealt with and the rest of this bill can be set aside, because frankly it is not urgent, and we still believe that growers deserve the opportunity to have some proper input into this through the processes of a committee—controlled by the government, I might add—of the Senate that has looked at this and other issues on many occasions and on most occasions has come up with unanimous findings.

So we have question marks about what we consider to be flaws in the quality assurance schemes for boxed and bagged wheat. Although there are claims of grower support for this bill, the strength and number of submissions Labor has received indicate that the government does not have anywhere near a united industry position or grower support for the position it has put forward. We have concerns about that. It is worrying that we are being told that there is some possibility of an entity with grower support developing but there is no test in the legislation to determine whether that is actually the case. There is no proper ministerial accountability and there is no transparency of the reporting process in the legislation. And I say again, despite the PM’s promises, AWB can resume control of the single desk as the single seller—albeit without the veto power but still with the single desk—if there is no exercise of a determination under new provisions of the act to determine that there is another organisation that can take control of it. So all a National Party minister, if the coalition were to win the next election, after the election needs to do is nothing. What will happen? AWB—‘nominated company B’—will be the entity which controls marketing.

Senator Adams—No, it can’t—you haven’t read it.

Senator O’BRIEN—I have read it. If Senator Adams does not believe that then Senator Adams is being conned.

Senator Johnston—Rubbish; you just can’t understand it!

Senator O’BRIEN—I am very happy, because it is not me that is saying that; it is grower organisations around the country—who have had a limited chance to look at it—who are saying that. Frankly, if you think they are going to be conned by this sort of bluster in the chamber, you are absolutely wrong, Senator Johnston. Let’s be absolutely honest about this: this process is all about getting this legislation out of the way to resolve disputes in the Liberal Party and the National Party in party rooms to get through to the next election. That is all this is about. There is nothing in the government’s proposal which has any real support from growers. They have not been given a chance to give it support because they have not been given a chance to understand it. What did the
Prime Minister say? In the House of Representatives on 22 May he said:

... only a small minority of that 70 per cent favoured the single desk remaining in the hands of AWB. That is a conclusion that the government completely shares and endorses.

Then they put this piece of legislation up that will achieve just that. Despite the Tuckey amendment in the House of Representatives, which prevents the AWB regaining the veto power, the key point is: AWB can still be the single-desk holder. It can still be the company which has the exemption from export controls conferred upon it by section 57(1A). The only difference is that it will not have the veto power.

But of course it is possible that some other company may take control of the single desk. This legislation also indicates that that company would have the veto power. This legislation provides no guarantees or protections to ensure that the new entity, the designated company, would not simply behave in the same corrupt manner as AWB did. Talk about slipshod legislation! Here we have a government that allowed the wheat industry—and I am not blaming growers or their representatives for this—to get into a situation where it became the focus of Australia’s greatest trade scandal, and the first piece of legislation that the government puts through fails the test of proper accountability, scrutiny and transparency. It sets up a model which can visit upon this country similar or the same arrangements for the future, and it does that by ramming the legislation through the parliament, denying a Senate committee the opportunity to look at it and guaranteeing that it will be passed today—and then, hopefully, the focus will go off the government.

We will be moving amendments to this legislation. I want to make sure that the Acting Deputy President is aware that we require this debate to go into committee. I also have a contingent notice of motion, which needs to be dealt with during the second reading debate on this matter, which goes to the question of splitting the bill. As I said, we are quite happy to pass legislation which deals with a provision preventing the veto power reverting to AWB. We have been prepared to give that expedited passage. We are not happy with the rest of this legislation and, therefore, we believe that it ought to be split. In any case, because we have been denied a committee reference on this matter, we will be taking time to obtain absolute clarification on the meaning of the bill and any provisions that we have concerns about.

In terms of other contributions, during the committee stage of this debate we will be taking the time to elaborate on some of the matters that I have raised in my second reading contribution. The fact is that this is an appalling piece of legislation in the way that it has been drafted, it has been handled appallingly by the government and it is a travesty being foisted upon wheat growers and the Australian community.

Senator MURRAY (Western Australia) (11.24 am)—The Wheat Marketing Amendment Bill 2007 seeks to amend the Wheat Marketing Act. In real terms it gives effect to three things: the Liberal Prime Minister’s promise to members of the National Party to keep alive their desire to return to a single desk; to provide time to work out a longer term solution to competing interests and philosophies concerning wheat exports; and to temporarily maintain a modicum of choice by letting the Minister for Agriculture, Fisheries and Forestry temporarily allow more than one entity to export wheat.

I note that the minister said in his second reading speech that it is the wish of Australian farmers to retain the single desk for wheat exports, but I am far from convinced that it is the wish of the majority of wheat
farmers in Western Australia. Domestic producers of wheat predominate in the eastern states. The odd thing is that, although domestic wheat is sold in an open, deregulated, competitive market, it is claimed that a possible majority of wheat farmers in the eastern states want a single-desk export market. It is WA farmers who constitute the great bulk of wheat exporters, and they are of a different mind. A minority want total deregulation with an open, competitive market. Another larger minority want the retention of the single desk. My impression is that the rest, a somewhat silent majority, want a regulated market with a choice of a few licensed exporters.

According to the government, the majority of Australian wheat farmers spoken to by the Ralph consultation commission do want retention of the single desk. That interpretation is highly questionable. In any case, Australia is a modern, open-market, competitive economy. As a matter of public policy, monopolies are not desirable and need to carry strong public interest arguments for their imposition or retention. In my opinion, that argument has not been made for export wheat, particularly when all other grains and all other rural products are happily exported with a choice of exporters in normal open-market arrangements. If a single desk is not needed for all other agricultural products and all other trade products, why is it in the public interest for it to be retained for wheat?

This bill does the following. Schedule 1 provides a statutory Wheat Export Authority with wider information-gathering powers and provides the Minister for Agriculture, Fisheries and Forestry with the power to direct the Wheat Export Authority to undertake investigations that the minister considers to be in the public interest.

Schedule 2 extends the temporary transfer of the veto power over bulk wheat export applications from AWB International to the minister. The power sunsets on 30 June 2007 but will now be extended to 30 June 2008. This prevents the veto from reverting to AWBI while industry manages the 2007-08 harvest and comes up with an alternative single-desk body to deal with future harvests.

Schedule 3 commences on 1 March 2008 and amends the act to give the minister the power to designate a company as the holder of the single-desk export privilege under the act. This is achieved by inserting a new section in the act which will allow the minister to rescind the previous declaration and make new declarations.

Schedule 4 amends the bill to deregulate wheat exports in bags and containers. This removes the requirement for wheat exports in bags and containers to first have consent from the Wheat Export Authority. In its place, the exporters are required to comply with conditions of a quality assurance scheme being developed by the Wheat Export Authority. Penalties apply for noncompliance with that scheme. The deregulation of exports in bags and containers and the quality assurance scheme will commence as soon as details of the scheme are settled.

Schedule 5 commences on 1 October 2007 and is designed to change the governance arrangements of the Wheat Export Authority. It will become an agency under the Financial Management and Accountability Act 1997 and be renamed the Export Wheat Commission. Staff of the new commission will be engaged under the Public Service Act 1999. It will have a skills based commission of between four and six members, with all members appointed by the minister. At least one but no more than two commissioners must be appointed based on their expertise in grain production. These changes are part of the Uhrig reforms for the governance of Commonwealth agencies.
Schedule 6, which also commences on 1 October 2007, is to facilitate the transition of the WEA into the EWC, regarding administrative matters.

Several of the schedules raise significant issues for the Australian Democrats. Schedule 1 gives the Wheat Export Authority, now the EWC, and the minister better information-gathering powers. That would appear on its face to be a good idea. It is one of those amendments which the government can point to and say, ‘See, we have taken note of what the Cole commission recommended and we have expanded the minister’s information-gathering powers.’

I do not want to be cynical, but one of the things that were glaringly obvious from the Cole commission was not that ministers and their bureaucrats lacked the power to ask questions of the AWB but that they were unwilling to ask the questions and gather the information necessary. Having the power and actually using it to ask the hard questions are two entirely different things. It was again clear from the Cole inquiry that, for all intents and purposes, Westminster ministerial responsibility no longer has relevance. Foreign Minister Downer and Trade Minister Vaile both gave evidence to the inquiry that, for all intents and purposes, Westminster ministerial responsibility no longer has relevance. Foreign Minister Downer and Trade Minister Vaile both gave evidence to the inquiry, which made it clear that, although these matters stood squarely within their portfolio responsibilities, they considered themselves not even indirectly responsible for the failure to discover and expose the AWB’s crooked culture and actions. Where written evidence or suspicions of controversial matters made it to their offices, they—and by extension their personal and departmental advisers—argued that they were mostly not even made aware of it. If they were made aware of it, they did precious little about it.

In a bygone era, when the Westminster system of ministerial responsibility applied, they would have been for the high jump. This is not going to happen now, but at least AWB’s senior management and directors should be for the high jump. However, we were told in estimates by Commissioner Keelty from the AFP that ‘at the moment’ there was no indication that charges would be laid against any individuals involved in the scandal. As for the company, in light of what has happened the very last people who get the single desk back should be the AWB. By all means, let the company try to remake itself, but it should realise that it is on probation. If they can withstand the deluge of litigation that we have been told to expect, let them make their way in a market economy, not as a corrupt monopolist.

Before I leave this topic, I remind the Senate that the Democrats have campaigned long and hard for a code of conduct for ministerial staff so that there will be open and accountable channels of communication which are properly documented. The Cole inquiry provides further evidence that the need for such a code, also recommended by the Senate Finance and Public Administration References Committee, is even more pressing.

Schedule 2 extends the temporary transfer of the veto power, which was due to sunset on 30 June 2007, to 30 June 2008. This prevents the veto from reverting to AWBI while it manages the 2007-08 harvest. The problem is that this is a stopgap measure while the coalition work out a solution to two opposing views. In general, The Nationals consistently—but wrongly in my view—want to retain the single desk, preferably under the AWB, and the Liberals—rightly in my view—want a more competitive market with a choice of exporters under a licensed and regulated export system. There is no doubt that the AWB’s hold on the single desk should end.
As for the WEA, it does indeed need a shake-up. They have proved to be a malfunctioning statutory body. As a Liberal senator pointed out months ago, it is a model which is weak, unwieldy and confused in the face of corrupt corporate power like AWB’s. It has also just gone along with a sloppy DFAT governance attitude instead of doing the digging and questioning that was necessary. The WEA, with the AWB, bear the principal responsibility for the way Australia’s reputation—now as a supporter of corruption instead of an opponent of it—was trashed.

Schedule 3 amends the act to give the minister the power to designate a company as the holder of the single-desk export privilege under the act. This implies the long-term retention of the single desk or the ability to overturn a situation where there is more than one exporter and replace it with a single exporter, which is undesirable. I refer to the revised explanatory memorandum which has been tabled in this chamber. It says, with respect to schedule 3:

This schedule also provides that should, for any reason, AWBI or a related company still be the holder of the single desk privilege when the Minister’s power sunsets then the veto power will be permanently removed from it ...

If that is the consequence, it is to be applauded.

By the way, one big well-respected WA farmer complained to my office this week that AWB was not only a corrupt monopolist but incompetent too. He had not even been paid for the 2005-06 harvest yet. What is going on there? Have they got solvency problems as well?

The question will be: if legal and other claims that have been announced or foreseen put AWB under pressure, will they have enough money to pay all their farmer suppliers? The question will also be: could the possibility of litigation in the United States and Australia put AWB under solvency stress? If that ever happens farmers forced by the government—and, by extension, by the National Party—to export their crop through AWB, after this is known, would surely have a case for compensation from the government if things go really sour.

I welcome schedule 4 because, as opposed to bulk wheat, it introduces an open, competitive market for exports of bags and containers of wheat. So in a minute area of the wheat export market there is going to be an open market. However, in the whole scheme of things it is of little significance because bulk wheat probably constitutes about 99 per cent of wheat exports.

In May there was a positive Australian government response to Mr Cole’s 2006 bribery and corruption inquiry recommendations, but I complained about yet another example of a slow response to issues of integrity and accountability. The federal coalition government have earned themselves a reputation for poor accountability because of their slow responses to integrity matters. The official response came six months after Mr Cole tabled his report. With respect to their proposed changes to foreign bribery and tax deductions the response came a full 16 months after the OECD review of Australia’s implementation of the anti-bribery convention recommended such changes. The response to the OECD on a corruption matter was far too slow and was symptomatic of a tired government that looked dismissive of concerns that we needed to urgently improve our laws on bribery and corruption to improve our now tarnished international image.

I should remind you that this is a government that can write legislation curtailing civil liberties in 24 hours and which farcically recalled parliament solely for the purpose of changing ‘a’ to ‘the’ in a piece of legislation, but, when it comes to necessary
bribery and corruption law changes, just meanders along. Fortunately things are now moving along and there is some progress.

I have not yet had a good look at the legislation, but the International Trade Integrity Bill 2007, introduced last week, creates new offences for breaching United Nations sanctions and for giving false or misleading information about imports or exports affected by United Nations sanctions. It creates new penalties of up to 10 years in jail for individuals. It imposes on individuals and companies severe fines that can be set by the value of the offending transaction. It gives government agencies the power to obtain information about suspected evasion of sanctions so they can be referred to law enforcement agencies. It strengthens laws on bribery of foreign officials, it makes tax laws consistent with foreign bribery laws and it narrows tax deductions for payments to foreign officials. To me, that sounds like useful progress.

If I understand correctly, it appears the government will not be amending the Criminal Code to insert an offence recommended by Commissioner Cole as ‘acting contrary to United Nations sanctions that Australia has agreed to uphold’. Instead, they will amend the Charter of the United Nations Act. Apparently, the government do not consider it ‘fair or useful to subject individuals to 10 years imprisonment for unintended actions or unforeseen consequences, unless these resulted from recklessness’. Whether that is right or wrong, it was not too fair or useful for AWB executives and management to bring Australia, all its exporting companies, Australians generally and Australian farmers into disrepute internationally, either.

Under the government’s plan, there still seems every possibility that AWB resources and people will be used to motivate a new single desk. In my opinion, not one director who was on the board at the time of these calumnies should still be there. They should all be got rid of. The argument is that the single desk guarantees farmers, collectively, getting the best price, but that is patently wrong and defies the benefits which open markets bring to every other sector and product. The single desk is anachronism whose time is up. For instance, in Western Australia, CBH can and will do a good job and can and will get a good or better return for farmers in that state than AWB has. Competition between grain bulk handlers will be good for business, will be good for farmers and will be good for the economy. When Mr Howard made his AWB announcement to the coalition party room, I sent this message to Australian Associated Press:

I understand the Prime Minister told his Party Room that: “If the industry does not have its plan together by March 1 next year, the government will reserve its right to have alternative arrangements. The decision means the Agriculture Minister Peter McGauran retains the veto on wheat exports out of Australia.”

This is a holding position that keeps the veto out of AWB hands but does not resolve the position in the longer term.

I believe the Prime Minister has enough support in the Senate to change the present wheat export single-desk system. His real difficulty lies with a divided Coalition Party Room.

On fiduciary, legal, commercial, prudential, competitive, efficiency and other grounds AWB must not be allowed to retain or regain the veto. Nor must a single-desk continue.

The temporary system that resulted in the recent grant of two extra licences to export wheat (44 other applicants were unsuccessful) showed that multiple exporters of wheat is a plus not a minus. Two successful applicants out of 46 was too few, and too low a tonnage, but it was at least a start to a more competitive market.

The single desk must go. Forcing those who don’t want to sell to AWB to do so, defies the
basics of a free market—freedom of choice and open competition.

The claim is that most farmers only want to export through AWB. I have had extensive feedback on WA farmer—
that is, Western Australian Farmers—
views, and attended two WA farmers meetings chaired by Mr Ralph, and made an effort to assess the views of many hundreds of wheat farmers, not just those who spoke.

In my view only a minority of all WA wheat farmers want to retain AWB as the single desk for bulk wheat exports, and only a minority want total deregulation. All farmers would be happy to see the small bagged and container wheat export market completely opened up to multiple exporters. The vast majority of WA farmers (who are the vast majority of all Australian wheat exporters) want a regulated licenced wheat export market with more competitors they can sell to. AWB can be one of those (if they can survive fore- shadowed litigation).

That is the end of the message I sent to AAP at that time. Our whole market economy is based on competition. Why are all other markets in Australia open to competition, but not this one? Why are all other agricultural markets in Australia open to competition, but not this one? Why are all other grain markets in Australia open to competition, but not this one?

I have been sympathetic to the view of the shadow minister, and to Labor’s view, that a further inquiry is necessary in this area. The problem with the Ralph consultation committee —and they had some very able people on it—is that they were not able to conduct an inquiry. It was a listening exercise. In my view, the Senate and the parliament should be required to review public policy issues that surround this matter. In the meantime, it is up to political parties to make their position clear. I am here making the Democrats position clear. I understand The Nationals position. The Liberal Party’s policy is unclear to me—although I know what individ-
single desk will be examined by the Productivity Commission. They know what that is code for: it is dead in the water. Be honest with them. Tell them when you are addressing this very important legislation.

The Senate is debating the Wheat Marketing Amendment Bill. This bill is the culmination of a lengthy consultation process with wheat growers from all parts of Australia. The measure it contains has the support of the overwhelming majority of wheat growers—whether they are from Western Australia, Queensland, Victoria or New South Wales. At all times, the majority of growers have been consistent in calling for their right to control the marketing of their product. This principle has also been The Nationals guiding light on this issue, an issue which at times has been very controversial. The deplorable conduct of the AWB in Iraq let down Australia and, more significantly, let down wheat growers. The oil for food scandal was used as a political tool not only in an attempt to divide growers themselves but also, crucially, to separate them from the single desk.

The single desk delivers, in the long term, premiums to Australia wheat growers over what they would receive without a single desk. They are not picked off one by one by multinational traders seeking to lower the price paid for wheat. We do not want to see the wheat industry become dominated, like retailing, by Coles and Woolworths. This bill is essentially a vehicle for delivering the control of wheat marketing to growers themselves—provided they establish a grower owned entity capable of doing the job by March 30 next year. The Nationals aim has been to ensure that profits in the industry stay with the growers and do not go to multinational traders. Australia’s wheat industry can be confident of a prosperous and certain future. This bill also highlights the effective and healthy coalition partnership between the Liberal and National parties.

The Wheat Marketing Amendment Bill has six key features. First, it provides the Wheat Export Authority, the WEA, with broad information-gathering powers. Second, it provides the Minister for Agriculture, Fisheries and Forestry with the power to direct the WEA to undertake certain investigations. Third, it extends the temporary transfer of the power of veto over bulk wheat from AWBI to the minister from the current expiry date of 30 June 2007 to 30 June 2008. Fourth, it empowers the minister to designate a company other than AWBI as the holder of the single desk export privilege. Fifth, it regulates the export of wheat in bags and containers and non-bulk wheat, provided exporters comply with a quality assurance scheme. I must say that that has the support of the farming groups. Sixth, it replaces the WEA with the Export Wheat Commission and changes the relevant governance arrangements in accordance with the Uhrig reforms for the governance of Commonwealth agencies.

I register my admiration for the wheat grower groups, who stepped up to the plate and took on the challenge of leading the growers in talks with government about how to resolve the complexities and controversies of the issue of wheat marketing. In particular, I acknowledge the contribution of the Western Australian Farmers Federation, specifically their grains division; the Wheat Growers Association; the New South Wales Farmers Federation; the Victorian Farmers Federation; and AgForce Queensland. The wheat industry can be thankful that there were leaders equipped for the task who negotiated strongly on the growers behalf. The bill before us is a sign that the Australian government does not hold wheat growers responsible for the oil for food scandal. That is very significant because many growers were de-
moralised by the actions of AWB and bore
the brunt of the public’s displeasure about
AWB’s actions. Growers do not deserve to
be penalised by legislators.

The bill is an important step in the history
of wheat marketing in Australia and reflects
the primacy of the growers in the political
philosophy of the Liberal-National Party
collegation government. In March this year the
Queensland National Party unanimously
called for a grower owned and controlled
single desk for wheat export marketing, as
supported by the overwhelming majority of
wheat growers. In a key address to the
Queensland Rural Press Club earlier this
year, I described the very serious situation
for the 2007 national wheat crop and the in-
vestment put into the industry over genera-
tions. I said:

There is an urgent need to put strength and confi-
dence back into the wheat industry. To dismantle
the pillars on which it was built is to invite disas-
ter.

There really doesn’t seem to be a viable alterna-
tive to a grower owned single desk.

The single desk is the only way that Austra-
lian growers as a whole can maximise re-
turns. Policymakers have looked, wisely, to
secure the single desk infrastructure of wheat
marketing because it benefits the whole. The
bill allows the AWB to market this year’s
harvest. This is a pragmatic solution. There
is simply no time left to put in an alternative
arrangement for this year’s crop. The top
priority is to get wheat marketing actually
happening again in Australia as soon as pos-
sible. The pre Cole inquiry AWB is no longer
in existence. It is unfortunate that there is
little recognition that wheat marketing has
moved on already from the old status quo.
Functional separation has created a new de-
sign for wheat export marketing. The func-
tional separation of AWB Ltd and AWB In-
ternational was announced on 27 July 2006.
It was the first step towards greater separa-
tion and the creation of a separate AWB In-
ternational board and a separate audit and
risk committee. A separate management team
was appointed to AWB International. AWB
Ltd appointed a new managing director.

Critics should also note that over 90 per
cent of pool services provided by AWB Ltd
are currently subject to contestable tenders
by third-party service providers. The board
of directors of AWB are seeking shareholders’ approval for the legal separation of AWB
Ltd and AWB International. The proposed
split would establish AWB International as a
wholly grower owned manager of the na-
tional pool. AWB International would also
retain the obligation to ensure security of
payments and maximise returns to wheat
growers. Note that the demerger proposal
would ultimately change the board appoint-
ments process for both companies. All A
class directors would be required to retire.
The AWB International board would then be
decided by the grains industry and wheat
growers themselves.

It is argued that a demerger would enable
AWB Ltd to become more efficient and
commercially focused with a standard com-
mercial constitution to facilitate the transi-
tion to a more competitive environment. I
ask those who oppose this solution, like the
Labor Party: where is their viable alterna-
tive? They do not have one—other than to
send it to the Productivity Commission.

Senator O’Brien interjecting—

Senator BOSWELL—You should be
ashamed to criticise what the coalition is
doing when your decision was to send it to
the Productivity Commission. The alterna-
tive, as stated in the ITS Global report, is:

Market share in valuable markets could be easily
lost and would be difficult to regain once lost.
Sudden removal of the Single Desk would expose
growers to greater volatility in prices than they
currently face and they would effectively be com-
peting at the same level as major international competitors whose trading terms are strongly supported by significant government assistance. That is, subsidies. The report goes on:

Unless changes to the market system are carefully managed, some Australian wheat producers may be exposed to some degree of market failure. Those are not my words. One of the features of the government’s wheat export marketing plan is that the Minister for Agriculture, Fisheries and Forestry will retain a tight and powerful veto on wheat export licences until June 2008. This is a power that will continue to be exercised in the public interest on a case-by-case basis, but there is no intention of it being used to undermine the intent of the single desk. Importantly, the interests of growers who deliver to the national pool, and the impact on them from allowing other bulk export consents, will be part of the public interest consideration. By 1 March, growers have to choose between two options for a grower owned and controlled not-for-profit single desk: either a demerged AWB or a totally new identity. The new body could be a new company or a completely demerged AWBI, and it would take over the management of the single desk. The holder of the single desk will have to have complete legal separation from AWB Ltd.

The government acknowledges that the challenge it has set the industry is a significant one that requires strong leadership and unity within the industry. Under recent amendments to the bill, the proposed power of the minister to change the designated company that commences in March would have a sunset date of 30 June 2008. The government needs to be satisfied as to the financial viability and capacity of any new entity to be the single desk holder.

The industry supports beefing up the Wheat Export Authority. The bill makes a number of changes to the operation of the WEA. It will be given additional auditing and reporting powers to increase its ability to ensure transparency and compliance with international and domestic law by the single desk operator. The Wheat Export Authority’s increased powers include the power to issue an export permit to an organisation other than the single desk holder—but only in exceptional circumstances, including situations where the single desk operator has been precluded from a market for legal reasons and where the single desk operator has failed to develop a specialty market. But that is no open go. The authority will be provided with a power to request information from parties other than AWBI where it believes this relates to the performance of its functions. This is a significant broadening of the scope of the authority’s existing information-gathering powers. It reflects the government’s clear intention that efforts to undermine the interests of Australian wheat growers and to damage Australia’s international trading reputation will not be tolerated.

Further, the bill provides the minister with the power to direct the authority to investigate a broad range of issues relevant to its functions where he considers it is in the public interest to do so. The authority will also be provided with the ability to pass information to relevant law enforcement and regulatory bodies where it has received or uncovered information that warrants further investigation.

The export of wheat in bags and containers will no longer require consent from the Wheat Export Authority. However, the quality of each shipment will need to be certified in order to protect the international reputation of Australia’s wheat. Exports in bags and containers are likely to remain a small part of the market in comparison to the bulk export share of the market. Growers have raised concerns that wheat exports outside the current arrangements could allow the
potential for rogue traders to undermine the good reputation of Australian wheat. That is why this bill makes it a requirement that all wheat exports in bags and boxes have to comply with a quality assurance scheme which will be developed by the WEA in consultation with industry. Under new amendments, the deregulation of exports in bags and containers will come into effect 60 days from the date of royal assent.

As the Minister for Agriculture, Fisheries and Forestry, The Nationals Peter McGauran, said in his second reading speech:

It has been an immensely difficult 18 months for Australia’s wheat growers. Last year they faced a devastating growing season as winter and spring rains failed and the drought continued to tighten its grip across the country.

Growers have also had to deal with continued pressure to dismantle their wheat single desk due to strong, but justified, criticism of the corporate behaviour of AWB Ltd stemming from the findings of the Cole commission of inquiry.

In spite of these difficulties and challenges of an almost unprecedented kind, growers continue to voice their desire to take control of their industry. This bill is a direct response to that call.

The Wheat Marketing Amendment Bill 2007 retains Australia’s single desk for export wheat.

With that sentence, the minister delivered the future of the wheat industry back into the hands of the growers themselves. That is why The Nationals exist. That is why we have a past, a present and a future. I put that very comprehensive statement down on behalf of the coalition and challenge the Labor Party to come up with their comprehensive plan, other than a one-page press release saying, ‘We are going to put this back; the single desk will be reviewed by the Productivity Commission.’

Senator O’Brien—No, it didn’t say that. Why don’t you tell the truth for a change!

Senator BOSWELL—What a cop-out by your leader. That just shows how much you think of Australian wheat growers.

Senator SANDY MACDONALD (New South Wales) (12.01 pm)—I have no wish to delay the Senate, as Senator Boswell has properly covered The Nationals and government’s position on this legislation. I seek leave to incorporate my speech on the Wheat Marketing Amendment Bill 2007.

Leave granted.

Senator SANDY MACDONALD—The incorporated speech read as follows—

The Wheat Marketing Amendment Bill 2007 contains six proposals that will enable the transfer of Australia’s wheat exports from an AWB controlled single desk to a true grower controlled entity which will facilitate the continuation of Australia’s highly successful single desk export marketing tradition.

Firstly, it provides for the extension of the Minister for Agriculture’s temporary veto power over AWBI’s bulk exports until 30 June 2008. The Minister has had this power since the Cole Enquiry reported. Now this power has been extended for a further 12 months and allows the Minister to direct the industry regulator, presently the WEA, to approve or reject bulk wheat export applications.

This is a power that the Minister has exercised in the public interest and on a case by case basis—always with the knowledge of the importance of the single desk to the vast majority of Australian wheat growers who support it presently, and also into the future in a new form which is to be determined by the Australian wheat industry over the next 9 months.

Importantly, this extension will make sure that the power of veto over bulk wheat exports does not revert to AWBI on 30 June this year. The Government however understands the reality that AWBI is currently the only entity that can realistically manage the 2007-08 harvest but without the power of veto over bulk exports which it held before the Cole Enquiry reported.
Secondly, the Bill gives the Minister the power to select the corporate entity that manages the single desk in the future.

We will require that the new entity is registered under the Corporations Act 2001 and is completely separate from AWB Ltd. This new company will be required to have a developed strategy to successfully take over management of the single desk before the 2008-09 harvest. Industry players and the Government are aware that there is no time to waste.

The commencement date for the Minister’s power to select is set at 1 March 2008. Therefore, the power to replace the designated company is not required until 1 March 2008 at the earliest. This delay, which is commonsense, provides AWBI and growers with certainty over the export arrangements for the current harvest which I hope will be a record, and a chance for many wheat farmers to recover from disastrous drought.

When the power is exercised after 1 March 2008 will depend on a number of factors, including the progress growers make in the creation of a new company, the transition arrangements involved in a handover to the new entity, the need for AWB to finalise sales from the 2007-08 harvest and just simple commercial commonsense.

The wheat industry must be sure that the Minister will exercise his power at some stage and that the wheat industry must get on and prepare a suitable entity which they own and control. The weights, for all good reasons are on the wheat industry to agree on a suitable single desk entity.

Thirdly, the WEA is to be provided with further teeth in terms of its investigative capacity. These powers of investigation will enable the WEA to delve into transactions that in someway may be a repetition of transactions like the "oil for food/AWB" fiasco. More teeth for the WEA in a governance sense, are clearly warranted.

Fourthly, and in conjunction with the above, the Minister will be empowered to direct the WEA to investigate a broad range of issues relevant to its functions. This capacity addresses problems the WEA has in progressing possible breaches of the law under the current Act.

Fifthly, the Bill allows for a range of structural and governance reforms based on the Uhrig recommendations—the WEA will be changed from an agency of Government with an Independent Board to a Statutory Commission with no Government representative on the new Commission. The new body, the Export Wheat Commission will come into effect on 1 October 2007.

Finally, this Bill confirms the export of wheat bags and containers will be deregulated. This will allow immediate and greater certainty to those seeking to develop niche and new market opportunities for special products and markets.

Remind the Senate that containers and bag exports only make up a small proportion of wheat exports—probably around 3% to 5%.

While bags and boxes will be exportable without AWC approval the AWC will maintain quality assurance to ensure that the product meets contract specifications—this is to protect the integrity of the Australian wheat industry.

Growers clearly regard exports in bags and containers differently to bulk exports and this change is not regarded as an undermining of our commitment to the single desk.

Overall, this is a historic opportunity for the wheat industry. Wheat is a vital export earner and a vital part of rural production for the communities that form the great sheep/wheat zones of rural and regional Australia.

And it is also vital to secure Australia’s position in the world’s wheat agriculture commodity trade, where markets are corrupted by subsidies and lack of market access.

A new single desk entity and the other changes involved in this legislation is good government and I support it wholeheartedly.

Senator ADAMS (Western Australia) (12.01 pm)—I rise today to speak to the Wheat Marketing Amendment Bill 2007. I state first up that, as most people know, I am a Western Australian farmer and a wheat grower. I think it is very important that you know that. I do have a lot of practical experience within this realm. Western Australia is one of the largest wheat exporting states, as is South Australia. Therefore, I have had a very keen interest in this. Before I start talk-
ing about the bill and the amendments, I would like to thank the members and senators and all those who assisted me with my private member’s bill, which was withdrawn during the week. The reason I did that is that, through consultation and a lot of hard work on behalf of a number of people, most of the issues that I raised in that bill are able to be contained within the amendments in this bill. So I thank sincerely all those people who made it possible for me to support this bill.

At the moment, unfortunately, Western Australian farmers are going through somewhat of a drought. A lot of crops have not been planted. So, once again, it is going to be a very difficult year for Western Australian wheat growers. We will not be able to provide the amount of grain that we would have hoped to provide. There is a lot of angst in the farming community at present as they are very uncertain as to whether they are once again going to warehouse their grain or send it to AWB. As most people know, AWB will be controlling the 2007-08 harvest. There is a reason for this and I accept that reason, which I will explain later. But it is very difficult for those farmers. A number of them are owed a lot of money from the 2005-06 season. This is possibly one of the reasons why AWBI should manage the 2007-08 crop; hopefully, they will be able to sell the remainder of that grain and repay the farmers.

I will explain the grain seasons. The grain seasons do not end on 30 June each year. They carry over for a number of years because the grain that is stored may not be sold within the year that it is harvested. That is another reason why AWB should be controlling the crop this year. I look for choice for our farmers, and this bill has a veto power which will be extended to the minister again this year, going through to 30 June 2008.

A number of farmers have contacted me, as you can imagine, asking why I withdrew my private member’s bill, why I have done this and why I have not done that. It is really hard. They are all saying, ‘We are not going through what we went through last year; we are going to warehouse our wheat and that is it.’ So there is a lot of uncertainty. I just want to put on the record that I am representing those interests in Western Australia in the best possible way that I can. I am very confident about the amendments. They are probably not all that I wanted, but we are making progress and we are going forward, and I think that is very important in this very difficult debate.

There has been criticism of the government for not consulting. I would like to go back a bit and say how the government set up the independent body, the Wheat Export Marketing Consultation Committee, to go out and consult growers right around Australia. They held 26 meetings. I congratulate those people on the committee: the chair, Mr John Ralph, Mr Roger Corbett, Mr Peter Corish and Mr Mike Carroll. They did an excellent job. I attended five of those meetings. The farmers had every opportunity to get up and say what they wanted to say. As has been said, a number of them wanted the single desk. It is quite amazing how things have changed since those consultation committee meetings and how much farmers, in Western Australia especially, are aware of what has really gone on with the single desk and how it did not serve them the way that they hoped it would. The government opened up that consultation phase by sending these four gentlemen out around Australia. It was a very arduous time for them; it took us a fair bit of time to keep up with two meetings every day, with probably 100 to 120 farmers, on average, attending every meeting.

The retention of the single desk was a major issue, but unfortunately a number of them had the AWB hymn sheet, from which we would have heard probably 30 or 40 times
throughout the consultation process. But that was fine, and they had their say. When they were asked questions, a lot of them were rather horrified that they had to answer as to what they had said. But it did not matter. What has happened is that we have had a huge amount of community consultation right throughout, and the government had to come back with the Ralph report, which none of us has seen; it is a government document and there were not to be any recommendations. That report gave the government the opportunity to have a compilation of all the comments and all the remarks—everything that was said—so that they could work out where to go next.

I do not need to remind you that we are dealing here with a multibillion-dollar industry, and I know a lot of my colleagues are probably sick of this wheat debate and of hearing me talk about it, but it is very important. It is important to Australia and it is very important to my own state of Western Australia. The Australian government’s principal concern is the wellbeing of Australian wheat growers, including maximising returns to growers.

I would like to now go on to the bill and the amendments. Senator O’Brien, you possibly did not get the second reading speech which was tabled in the Senate. A number of amendments have been made by the House of Representatives, and when I have finished you might be a bit happier with what has happened with this bill. The first schedule relates to the information gathering and investigative powers which will commence on royal assent of the bill. This gives the Wheat Export Authority—as it is known at the moment but which later, with another amendment to the act, will be known as the Export Wheat Commission—broader information-gathering powers. It also provides the Minister for Agriculture, Fisheries and Forestry with the power to direct the Wheat Export Authority to undertake investigations that the minister considers to be in the public interest. This, to me, is a very important clause: the power to request information and documents, the power to request a report and the power of the minister to direct the investigations. It addresses problems the Wheat Export Authority has had in progressing possible breaches of the law under the current act, where it was restricted from sharing confidential information.

For too long growers have been kept in the dark on the operation of the industry in which they participate and on which their future is decided. I found this very obvious, because each time I went to an estimates committee hearing and questioned witnesses from the Wheat Export Authority they could not answer the questions because the legislation constrained them from doing so. So, in that schedule, things change a great deal for the Wheat Export Authority as it is now, and then for the newly formed Wheat Export Commission, which will come into being on 1 October. The reason for this is that the Wheat Export Authority’s financial reports go from 1 October to 30 September; therefore, when they put in their financial statements the new authority should be taking place.

Schedule 2 relates to the veto power. It is the extension of a temporary veto that was granted for six months to the minister in 2006, and it expires on 30 June 2007. This is one of the reasons it is very important that this legislation is passed today. The important item in this is the fact that the minister has a temporary veto power over non-AWB (International) Ltd bulk exports, but the power is due to sunset on 30 June 2007 and will be extended to 2008. That will prevent the veto going back to AWB for the 2007-08 harvest. I quote from the second reading speech, which says:
The Government has stated publicly that while the veto power resides in the hands of the Minister it will continue to be exercised in the public interest and in a way that treats any application for a consent on its merits.

I think that is a very important part of this bill.

I move on to schedule 3, the replacement of nominated company B. This amends the act to give the minister the power to designate a company as the holder of the single desk export privilege under the act. The government has given growers what they asked for. They have been given a chance to set up their own company to run a single desk. The deadline for growers to establish a new entity to manage the single desk is 1 March 2008, and it will not be extended. I now quote from the Prime Minister’s reply to a question from the member for Grey, Mr Wakelin, in the House on 22 May. The Prime Minister said:

If growers are not able to establish the new entity by 1 March next year, the government will propose other marketing arrangements for wheat exports. Let me make this clear to the House. The options available would include further deregulation of the wheat export market. The government believes that the new arrangements will maximise the returns to growers …

This is what this debate is all about. It is just so important that growers are the important people at the end of this activity.

The power of the minister to designate the new entity to assume the rights and powers of single desk management, which, I repeat, commences on 1 March 2008, has a sunset date of 30 June 2008. This was open-ended. It now has a sunset clause—that is, four months—and gives the minister the opportunity to designate the new company with the powers that it should have. If it fails to do that, this is one new company. It is not another company; he cannot do that. It is a company that is being formed by the growers—only that company. That is the understanding we have with this bill, and it is very important. Further to that, if the minister does not designate this new entity in the period 1 March to 30 June 2008, the veto power will not revert to AWBI, which is very important. This effectively removes any possibility that the bulk veto power could revert to AWBI once the minister’s temporary veto powers sunset after 30 June 2008.

To clarify what I have said I turn to the second reading speech which was tabled with the bill today, which said:

Naturally, before the Minister designates a new entity to take over as the operator of the single desk it will have to demonstrate that it is financially viable and has the capacity to undertake the task. The single desk privilege will not be granted to just any entity.

The fourth schedule is about the non-bulk export of wheat, which relates to the deregulation of containers and bags and the introduction of a quality assurance scheme. As you have heard, bag and container exports make up only a small proportion of wheat exports from Australia—roughly between three and five per cent. They are attractive to growers, however, because of their higher return than the bulk export market. Growers who wish to export their wheat in bags and containers will not have to apply to the Export Wheat Authority and the wheat commission; however, they will be required to comply with the conditions of a quality assurance scheme which will be developed by the Export Wheat Commission.

The quality assurance scheme is needed to ensure exporters are delivering what they promised they would and protect the good reputation of the wheat. This is another new amendment. The deregulation of exports in bags and containers and the QA scheme will come into effect 60 days from the royal assent of this bill, and penalties will apply for non-compliance with the QA scheme. It is important to note that at the moment the Na-
ional Agricultural Commodities Marketing Association, NACMA, have that scheme in place and that is what is used by the Wheat Export Authority at the present time. This is also a very robust process and is well supported by the Wheat Export Authority and AQIS. We do not have a problem with that, because it is already there. That measure comes into effect in 60 days after the royal assent.

We move on then to schedule 5, which will cover the change to the governance arrangements to the Wheat Export Authority. This new commission—it will be renamed the Export Wheat Commission—will come under the Financial Management and Accountability Act 1997, which is very important as well. The new commission will be a skills based commission of between four and six members. All members will be appointed by the minister. At least one but no more than two members of the Export Wheat Commission must have substantial experience in grain production and be known to the industry. And one but no more than two members must have experience or knowledge of export wheat marketing and be known to the industry. This is very important. It also ensures that the Export Wheat Commission has a strong understanding of the industry and that growers’ interests will be well represented by the commission. The Export Wheat Commission will consult regularly with the industry on important operational matters. Then we move to transitional provisions, which cover changing from the Wheat Export Authority to the Export Wheat Commission.

To summarise, the key elements of bill include: the extension of the Minister for Agriculture, Fisheries and Forestry’s temporary veto power over non-AWB (International) Ltd bulk exports until 30 June 2008; improved powers for the regulator to obtain information particularly from wheat exporters other than AWB International; the inclusion of the power for the minister to direct the regulator to investigate matters relating to its functions and pass this information on to other law enforcement and regulatory bodies as necessary; a range of structural and governance reforms to the Wheat Export Authority in line with the principles advocated by the Uhrig review; and the deregulation of wheat exports in bags and containers but with the addition of a quality assurance requirement to safeguard the reputation of Australian wheat.

In conclusion, I think that the wheat-marketing arrangements have had a long history and they have evolved over many years to meet the challenges facing growers. This bill clearly explains where we go from here and the fact that the veto power will never return to AWBI. It is very important. Once again, I would like to hope that we are moving forward. I have said that we are making progress with this and I therefore support the bill.

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (12.20 pm)—Mr Acting Deputy President, I seek leave to make a correction to my speech.

Leave granted.

Senator BOSWELL—I would like to correct a figure that I put in my speech. I did say that it was 30 March when the farmers had to put their identity forward. It is 1 March, and I would like that corrected.

Senator SIEWERT (Western Australia) (12.20 pm)—After one of the biggest scandals in recent Australian history the government has presented this parliament with its solution to wheat exporting into the future. The difficulty we have is determining
whether the government’s solution is adequate. At the moment our view is that it is not. One of our reasons for doubting the government’s solution with this bill—apart from some of specific concerns with its provisions, which I will go into later—is the way that this particular piece of legislation is being driven through this place without the opportunity for appropriate scrutiny. We believe that the government is showing unnecessary and worrying urgency to have this bill passed. What we are seeing again from this government is a quick fix to get the issue out of the way before the election. Because of the government’s failure to adequately deal with the wheat for weapons scandal, it continues to do damage and it wants to get this issue off the agenda.

They also want a quick fix to shut down debate within the coalition. It is very clear that this is a divisive issue still within their ranks. The only part of the bill that is actually urgent is the extension of the veto, which the Greens support. The rest of the bill, we believe very strongly, should and could wait for proper scrutiny. After the complete disaster of the previous arrangements you would think the government would want to ensure that they got it right this time around. Yet the government are deliberately avoiding adequate scrutiny of this bill.

The bill will have major ramifications for growers and farmers and the way we sell our wheat, and it is vitally important for the future of wheat exports in this country that we get this right. Why is the government, which says it is so concerned about the future of our wheat marketing, afraid to have a Senate committee look at this bill to ensure that it puts in place arrangements that are satisfactory and sufficient to ensure no repeat of the bribery scandal and no repeat of history? It was the lack of proper process that got Australia into this mess in the first place, and rather than learning from this hubris the government seems to be repeating its mistakes. By not allowing this bill to go to a Senate committee and by ramming it through this place, the government is treating the concerns of growers, farmers and the rest of the Australian community with contempt. The issues facing the wheat growers and the broader community in light of the AWB scandal, when you put aside the government’s role in that scandal, include: whether or not to continue with an export monopoly, the appropriate body to hold such a monopoly if we do continue with the monopoly, and the adequacy of the oversight measures.

There is still some disquiet, particularly within my home state of Western Australia, about the issue of the export monopoly. It is important to understand that in Western Australia wheat growers are one of the largest, if not the largest, exporters of wheat in Australia and the vast majority of their wheat is exported, whereas a lot of growers in the eastern states put a lot of their wheat into the domestic market and often exports are seen as a top-up.

Senator Murray—And it is completely deregulated in the domestic market.

Senator SIEWERT—Exactly. The Greens support in principle the continuation of a single desk. The main issues now concern the operation of the export monopoly, how to ensure the best outcomes for our wheat growers and how to avoid another disaster like the AWB bribery scandal. The Greens have some specific concerns about the bill. The Greens support the extending of ministerial veto; we see that as necessary. It is of course essential that arrangements for the sale of wheat are in place for the immediate future and that AWB International is prevented from exercising its existing export monopoly powers. We supported the ministerial veto before as a measure to enable a dis-
discussion about the long-term future of our wheat marketing when quite clearly there were very serious issues that needed to be discussed and reviewed before reaching a decision on the long-term future and the way we market our wheat in Australia. Such a process was intended to give all stakeholders the time to give proper consideration to the best way to market Australian wheat into the 21st century so that we got the best deal and protected the interests of all wheat growers in Australia, not just large wheat growers but also smaller ones. We need a system that is transparent and accountable to ensure that the good name of Australia in the wheat market is restored, the good reputation of our agriculture is protected and we never again see corrupt and shoddy deals being done in our name. Unfortunately, we do not think that this bill presents the best way forward. It does not provide a comprehensive response to the issues raised in the aftermath of the AWB scandal.

The provisions in the bill that provide the minister with the power to declare a specified company a designated company raise some issues. That designated company then controls the single desk and has the power of veto over other bodies wishing to export wheat. The minister could then designate a company from 1 March 2008. The government says this is to allow time for growers to establish a grower owned and operated company, or that AWB or AWBI could in the future be demerged. We believe that the amendments in the bill are very light on detail. There is nothing to indicate what happens if there is no appropriate company to become the designated company. Commentary has suggested that it will be difficult for growers to form a company in time, and equally difficult for AWB to put in place its adequate demerging and restructuring process. The minister even acknowledged in his second reading speech that it will be a significant challenge for the industry. In these circumstances we have been told that the power will not revert to AWB automatically; they will not automatically regain the power of veto.

So what is going to happen? That is not clear from the legislation. Alternatively, the government could keep extending the ministerial veto until an appropriate company has been established. However, we have been told that this is not going to happen either; there is only a limited time for that. So what is going to happen? We believe we need to have this sorted now, rather than sometime in the future. Perhaps we will learn it in the committee stage this afternoon. To my mind it would have been a lot better to have those details in the legislation or to at least have a Senate committee process—the Rural and Regional Affairs and Transport Committee for that matter—where we could learn and discuss these details through the revision process. We believe this is an unsatisfactory situation. We believe there needs to be certainty into the future.

Furthermore, there are no criteria for a company to become a designated company. It is merely at the discretion of the minister. There is nothing in the legislation indicating what would constitute an appropriate company to be the designated company. This is surprising, given that the company is being given monopoly powers. Surely not just any company should get these sorts of powers, and the minister should be completely satisfied that the company structure is appropriate to hold monopoly powers before declaring a company a designated company. There has been comment that the complex share structure of AWB as a private company led to a lack of clarity in accountability within the board that particularly contributed to its failings. We question whether there should be some legislative requirements for the designated company to meet. For example, there
could be a consideration of its share structure to ensure good governance structures are in place. We are not convinced that corporate regulation alone is necessarily sufficient and believe there should be some legislative standards a company should meet before being able to exercise such a significant power. We also note that there is no requirement for the designated company to be grower owned and operated. Companies that hold monopoly powers must have robust and independent oversight regulation. Without such oversight, abuse and corruption will potentially follow.

This leads me to the issue of the amendments proposed for the Wheat Export Authority, or WEA. The WEA is to be renamed the Export Wheat Commission and provided with some additional powers. There are also provisions for transitional arrangements for the move from the Wheat Export Authority to the Export Wheat Commission. The failure of oversight is one of the biggest lessons to be learnt from the wheat for weapons bribery scandal, and we should have had the opportunity to scrutinise these measures much more closely to ensure that this bill does in fact provide adequate safeguards and accountability. Otherwise, we run the risk of future failures.

When the Australian Wheat Board was privatised in 1999, a system was supposedly put in place to oversee that privatisation. The agency with that responsibility was the Wheat Export Authority, which had responsibilities under the Wheat Marketing Act 1989 to, amongst other things, monitor, examine and report on the performance of AWB. The Wheat Export Authority has a role in monitoring compliance with the conditions of export consents that have been issued, including price performance, the supply chain and the operating environment. It is clear that the WEA did not carry out its functions adequately. It is also clear that it had a very narrow interpretation of its functions. This narrow interpretation of its functions resulted in its failure to pick up the failings of AWB. Quite clearly, changes are needed in the long term.

In cross-examining the WEA chair at the time, Tim Besley, in Senate estimates, it seemed to me that WEA verged on being wilfully narrow in its interpretation of its role and also that it was dominated by a boys club culture where you looked someone in the eye, shook their hand and took their word when you were told that nothing dodgy went on. I remind this place of a quote from estimates. I asked:

Weren’t you concerned ... that you had heard rumours separately, as I understand it, about that Jordanian trucking company and that you had heard rumours of kickbacks? Wouldn’t that have prompted you?

I was obviously talking about the scandal. Mr Besley said:

There is nothing sinister in this. We did our job. We went down there, we looked them in the eye, they came back, looked us in the eye and said: ‘Look, we’ve done no wrong. Here is our code of conduct. Here is our agency facilitation thing.’ We looked at that. What more do you do? We trusted them, and you have to ask the question: were we unwise to do so? I do not know the answer to that. I would reserve my judgment on that until I see what Cole comes out with.

That is not what I consider to be an appropriate attitude to take on such a serious responsibility. The Cole report showed quite clearly that WEA was not carrying out its functions. Paragraph 29.60 of volume 4 of the report states:

In relation to exports to Iraq, the Wheat Export Authority did not display the necessary strength or vigour.

Mr Cole in his report goes on to recommend that:

... there be a review of the powers, functions and responsibilities of the body charged with control-
ling and monitoring any Australian monopoly wheat exporter. A strong and vigorous monitor is required to ensure that proper standards of commercial conduct are adhered to.

The question we have to ask is whether the bill establishes a sufficiently strong and vigorous oversight body.

The change of name from the Wheat Export Authority to the Export Wheat Commission really is neither here nor there if the powers are not appropriately given to it. What is important is its structure, its powers and the exercise of those responsibilities. In regard to the new structure of the commission, we welcome the changes as a step in the right direction. A measure of independence is provided by turning the authority into a statutory body, with commissioners to be appointed on the basis of relevant skills. The structure of WEA contained inherent conflict of interest, with some members appointed by the Grains Council of Australia and one being a departmental nominee answerable to the minister. A change of structure was necessary. We also welcome the provisions broadening the scope of the information-gathering powers of the commission. However, these seem to be the only changes made with respect to the powers of the commission.

While the amendments broadening the scope of information powers are very important and implement a recommendation by Commissioner Cole, these amendments do not go far enough in providing the necessary oversight. Commissioner Cole recommended a review of the powers, functions and responsibilities of WEA, the Wheat Export Authority, and all the government has come up with is limited additional powers to obtain information. This is why we need an inquiry into this bill: to identify its shortcomings in these areas of vital importance.

The other key element of the failure of oversight, as I mentioned earlier, was the boys club culture of the oversight body. Even with the powers it had, the WEA did not use them effectively to monitor AWB. It is no use giving extra powers if they are not actually going to be used. Could we hope that the changes made to the structure of the WEA will result in a more accountable culture? I do not know. I think that we needed further time to review that to ensure that we have an effective oversight body.

The other key element in ensuring adequate oversight is the role of the minister. In the AWB scandal, the Greens believe there was a failure of ministerial oversight. Of course, this is not something that can be legislated, but strong ministerial oversight is a key part of a ministerial Westminster system of government, and its failure can be a disaster. It is important to remember, given the decision of the government to retain the single desk and vast monopoly power of what will be a commercial private company, that we are giving a private company significant power over an important export commodity and also enormous responsibility. We have our doubts about the appropriateness of a private commercial company holding such powers. But if this is going to happen then there must be the highest standards of oversight, and this is where we believe the bill is currently insufficient.

The Australian Greens will support and have indicated before that we support the splitting of this bill to deal with the power of veto and to deal with the issues and concepts around the single desk and the broadening of the powers of the new commission, so that we can adequately review those and make sure that they are the best governance structures. At the moment, we simply do not know whether this legislation will deliver better markets and prices for growers. While we acknowledge—and I take on board what
Senator Adams says—that this is a step in the right direction, we are beyond steps in the right direction. We need to get it right. It is essential that we get it right. I do not think our markets can bear another scandal of the like that we saw before.

We do not believe that this legislation is right yet. We need the time to look at it. We do not have that time. We are negotiating and talking about this legislation at the very end of the last sitting before the winter break. Not only have we not had a Senate committee review of this legislation but we are sitting here on the last day talking about this amendment bill, and the pressure is on. We still have a long list of legislation that we need to deal with before we rise for the winter break, so the pressure is on to hurry this legislation through. Is it a coincidence that this legislation was brought on at this time, in this week, just before the end of the sitting, so that we had no time to adequately debate, no time to review it, and no time to review the next lot of amendments to this legislation that the government has brought out?

Senator O’Brien—He tried to con his own, let alone us.

Senator SIEWERT—Yes. This is not the appropriate way to debate and to determine the future of wheat marketing in Australia. The Greens support, in principle, the concept of a single desk and grower owned control but we need to make sure that those structures are properly in place, that the oversight structures are properly in place, and that we get the transparency and accountability right. The Greens are not convinced that we have that, so we cannot support this bill in its entirety. We will support it being split, we will support the veto and we will support it being sent to committee for review, and for it to then come back in August to look at whether further amendments need to be put in place.

But this is not the way to do business and it is not the way to treat wheat marketing in this country. We are very disappointed that the government is rushing this through. This is the government’s response to the Cole inquiry and the government’s response to how we market our wheat into the 21st century. You would think the government would give this place, and the community, a little more time to deal with this adequately and make sure we have got it right this time because I do not think there will be an opportunity to get it right at another time before we expend our credibility completely in the international sphere.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (12.39 pm)—I thank senators for their contributions to this debate. Despite all the issues impacting on wheat producers over the last few years, growers have never wavered from their calls for the wheat single desk to be retained. The Wheat Marketing Amendment Bill 2007 delivers changes that provide growers with greater control of their industry and greater certainty for the future.

The extension of the temporary veto power for the minister to approve or reject bulk export applications until 30 June 2008 recognises the reality that only AWBI is in a position to manage the 2007-08 harvest. However, the government has put in place a system which will prevent the veto ever returning to AWBI or any other AWB Ltd company.

The bill also provides the minister with the power to change the operator of the single desk between 1 March 2008 and 30 June 2008. This limited time frame will allow the transfer of the single desk to another entity while, at the same time, providing the industry with certainty about the future long-term operator of the single desk.
The government is giving growers until 1 March 2008 to establish a new company to take over management of the single desk. They will have to demonstrate that the new company is completely legally separate from AWBI. They will also have to demonstrate that the new company has the necessary financial and managerial capabilities to assume control of the single desk before the minister could consider designating it as the new single desk holder. There will be no extension beyond 1 March 2008. As the Prime Minister said on 22 May:

If growers are not able to establish a new entity by 1 March 2008 the government will propose other wheat marketing arrangements.

The government has also decided to regulate the export of wheat in bags and containers. This will provide growers with the ability to search out niche and new markets, and to further develop those markets that provide high-value returns. By making it a requirement for exporters to comply with a quality assurance scheme, the government is also securing the reputation of Australia as a reliable supplier of quality wheat.

The government has also considered the other side of the wheat export equation by addressing concerns with the industry regulator. By providing the Wheat Export Authority with strength and powers to request information, it has reduced any possible impediment to the authority fulfilling its monitoring and reporting functions.

The bill also provides the minister with the power to direct the authority to investigate and report on matters relating to the operation of the Wheat Marketing Act. Any information uncovered that requires further investigation can be provided to the appropriate authorities. Further changes to the authority have also been made to implement the government’s broader policy on governance arrangements in response to the Uhrig review. However, the interests of growers will be protected in these changes, as it will be a requirement for the minister to appoint at least one commissioner of the new Export Wheat Commission based on their skills in export wheat production and at least one other based on their skills in grain production. The amendments contained in the bill are measured and have been made in the best interests of growers. Most importantly they deliver on the key message the government has repeatedly heard from growers: ‘Keep our single desk in place.’

There has been some comment as to why the urgency for this particular legislation. As honourable senators would know—and I am sure we are all thankful—rain has been falling in parts of Australia and, as we speak in this chamber, I understand people are actually undertaking the planting of wheat. We, as a government, believe it is important that growers and exporters are provided certainty in relation to these changes well in advance of the upcoming harvest. This will allow growers to make decisions for their own planting and growing considerations. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Proposed Instruction to Committee of the Whole

Senator O’BRIEN (Tasmania) (12.44 pm)—I move:

That it be an instruction to the Committee of the Whole that:

(a) the committee divide the Wheat Marketing Amendment Bill 2007 to incorporate Schedules 1, 3, 4, 5 and 6 in a separate bill; and
(b) the committee add to that separate bill enacting words and provisions for titles and commencement.

I do so because, as indicated, we believe this bill should now be split. The only provision this legislation has that has any urgency is
schedule 2. Of this 41-page bill, one page—indeed, seven lines—deals with the urgent matter, and that is the extension of the minister’s veto power. Indeed, when the government sought to exempt this motion from the cut-off, the only provision they referred to as justification was this provision. The government’s only grounds for rushing this bill through this week that they presented to the parliament, as they are required to do with the motion to exempt this bill from a cut-off, was a reference to the veto power. That is the only thing. And we were happy to support this provision. We would have been happy to have seen it pass earlier than today. But of course this bill is being rushed through for reasons other than the need to deal with this urgency. The government could have dealt with this, and could have dealt with this even more quickly than is going to be the case, had they been fair dinkum about pursuing the genuinely urgent matters and also had they been fair dinkum about sharing their intentions on the legislation and the impact of the legislation with growers and giving them an opportunity to have some input into the legislation. There are things in this legislation—for example, omitting the provision to consult the Grains Council—which were never raised with growers or the Grains Council. Yet the government says that we should pass this bill and pass this bill now.

The fact of the matter is that there has been an attempt from the National Party to mislead in relation to the arrangements that are going to apply for the future. We have even heard the misleading comments from Senator Boswell today about what the Labor Party’s position is. It has been clear for some time—I have been at pains to talk about this; we have put out press releases and we have spoken on the Country Hour—that we would refer the issue of the single desk to an inquiry with the powers of the Productivity Commission. Senator Boswell says, ‘Are you going to refer it to the Productivity Commission?’ We know that that would roll the matter. We very deliberately said that we would refer the matter to an inquiry with the powers of the Productivity Commission and that we would have people on that inquiry who had expertise in agriculture and the grain industry. Of course, when it comes to representing the facts, we cannot depend on Senator Boswell or the National Party, because they have their own agenda.

We have heard in this debate Senator Adams, who, I think, in the circumstances, has at least got the legislation moving in the right direction and has been part of a group that has achieved some changes, such as making sure that the veto power for AWB does not continue after 1 July 2008. But I am afraid Senator Adams is mistaken if she thinks that this bill does not provide for a reversion of the single-desk power to ‘nominated company B’—and I refer to provision 3AA(12) in the bill.

Senator Murray—Give us the vote on the motion.

Senator O’BRIEN—I intend to. I was not going to take my full 20 minutes. Indeed, I have only taken four and I thought five was reasonable. In terms of the legislation, we really believe that this is an opportunity for the government to give growers a chance to have a say to ensure that the only urgent matter in this bill is passed and to get on with referring this matter to the committee. We can do that today, simply by giving leave to a motion to refer it to the Rural and Regional Affairs and Transport Committee.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (12.49 pm)—First of all, can I thank the Democrat and Greens contributors to this debate for not talking on this particular aspect in their response to the need for us to expedite matters today. In relation to why the government will
not split the bill, the reason why this bill has some urgency has been previously explained. It would be unfair to say that the only grounds the government has ever stated is the veto ground. That is the most important aspect of the urgency of it. Given the time constraints that we have been suffering this week, it was deemed that we would just put the most important point forward. For the sake of the record, I put these further matters forward. It is important that growers and exporters are provided certainty in relation to these changes well in advance of the upcoming harvest. The bill also has delayed commencements in relation to other aspects. Those delayed commencements provide further opportunity for matters such as the quality assurance scheme to be adequately considered and developed. The splitting of the bill would cause unnecessary delay and provide uncertainty. Further uncertainty may also delay industry progress relating to the demerger proposal. AWB has stated its intention to wait until the changes are made to the Wheat Marketing Act to progress the proposal. Any delay creates uncertainty and could jeopardise the ability of growers and industry to complete the demerger or establish a new company by the government’s 1 March 2008 deadline.

Question put:

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

The Senate divided. [12.56 pm]

(The President—Senator the Hon. Paul Calvert)

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**AYES**

- Allison, L.F.
- Bishop, T.M.
- Brown, C.L.
- Bartlett, A.J.J.
- Brown, B.J.
- Campbell, G. *
- Evans, C.V.
- Forshaw, M.G.
- Hurley, A.
- Kirk, L.
- Lundy, K.A.
- McEwen, A.
- Milne, C.
- Murray, A.J.M.
- O’Brien, K.W.K.
- Siewert, R.
- Sterle, G.
- Webber, R.

**NOES**

- Adams, J.
- Bernardi, C.
- Boswell, R.L.D.
- Brandis, G.H.
- Chapman, H.G.P.
- Cormann, M.H.P.
- Ferguson, A.B.
- Ferravanti-Wells, C.
- Fisher, M.J.
- Humphries, G.
- Joyce, B.
- Lightfoot, P.R.
- Mason, B.J.
- Minchin, N.H.
- Parry, S.
- Ronaldson, M.
- Trood, R.B.
- Barnett, G.
- Birmingham, S.
- Boyce, S.
- Calvert, P.H.
- Colbeck, R.
- Eggleston, A.
- Fielding, S.
- Fifield, M.P.
- Heffernan, W.
- Johnston, D.
- Kemp, C.R.
- Macdonald, J.A.L.
- McGauran, J.J.J. *
- Nash, F.
- Payne, M.A.
- Troeth, J.M.
- Watson, J.O.W.

**PAIRS**

- Conroy, S.M.
- Crossin, P.M.
- Polley, H.
- Sherry, N.J.
- Wong, P.
- Abetz, E.
- Macdonald, I.
- Ellison, C.M.
- Coonan, H.L.
- Scullion, N.G.

* denotes teller

Question negatived.

**In Committee**

Bill—by leave—taken as a whole.

**Senator O’BRIEN** (Tasmania) (1.00 pm)—I have some general questions that I seek to put. Since this bill has not been to a Senate committee for inquiry I hope that the minister is able to answer a number of questions. Could the minister explain, in relation to schedule 1, why the provisions in 5DA...
talk about ‘requesting’ rather than ‘requiring’ the production of information? Could the minister explain why the commission is not to have powers under this provision to forcibly obtain information, rather than simply make a casual request?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.00 pm)—As I understood it, the question dealt with why the WEA needs the power to request information from companies and why you would not have that as a request rather than as a requirement?

Senator O’Brien—Yes.

Senator ABETZ—It was decided in the first instance to make clear that the government expects companies to cooperate with any request from the WEA. If experience shows that this is not enough then the matter will be reconsidered. The Prime Minister’s announcement of 22 May foreshadowed further amendments to the act in 2008, including strengthening the WEA’s powers, and the matter will be revisited as part of that process. We will see how things play out until then.

Senator JOYCE (Queensland) (1.01 pm)—I just want to clarify something. If on 1 March 2008 the new entity is created—except for the provision of a licence which might be in the hands of a government; that may be anything from a prudential regulation licence to an occupational health and safety licence—and if the new entity is being curtailed from absolute completion not by reason of their own incapacity to complete but by reason of factors outside their control, how will that be resolved?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.02 pm)—The bill requires that the company be ready to go by 1 March 2008.

Senator JOYCE (Queensland) (1.02 pm)—In that process is there a program within government to make sure that the issuing of licences—in any way, shape or form—needed to bring about that new entity, will be given first priority in their development and delivery? Is there any role by government that might curtail or affect the company so that we cannot have an unnecessary falling over of the delivery on 1 March 2008, not by reason that they did not do the job but by reason that the government, whoever wins the election, has not done their job?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.03 pm)—There is no such process to which the senator referred within the government.

Senator O’BRIEN (Tasmania) (1.03 pm)—I would like to return to the point that I was discussing. Is the minister saying that the government is content to wait and see how this request provision operates? Problems have been clearly revealed, through Senate estimates, in the Wheat Export Authority’s ability to gain information from a private company allegedly controlled by growers. I am not going to blame the growers for the behaviour of AWB in this regard but the experience clearly was that there were significant problems in obtaining information. In fact, there needed to be a memorandum of understanding between the Wheat Export Authority and AWB in order to get information. I am curious as to why the provisions are such that the government is content to simply wait and see what happens. Given that these provisions are probably much less likely to come into effect, in a real sense, until after 1 March, why should we wait until some time next year to see how these work before we give the authority or the commission a power which, on the face of it, one would think was essential for the authority or the commission to do its job in the interim? This is an area of the legislation that is perplexing. It seems that it is a rather permissive approach by the government in
an area where, demonstrably, the Wheat Export Authority has lacked power, in terms of AWB. One would have thought that there was an argument that any company, if it thought it might be in its interest, might decline to give information if there was not a compulsion power.

Senator JOYCE (Queensland) (1.06 pm)—In the statement of the financial viability of a designated entity, who determines what that is? Will ‘financial viability’ be determined for the role that they determine to do? Who makes that determination?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.06 pm)—In answer to Senator Joyce’s question, the term ‘financially viable’ will depend on the business model of the new entity, what it does in-house, what it contracts out and where the financial risk sits. It will mean the company has the resources to meet its operational needs and to pay growers for their wheat. The minister will need to be satisfied that the company has the financial resources to meet its obligations to growers and to maximise their—that is, the growers—returns.

Senator JOYCE (Queensland) (1.07 pm)—So the financial viability will be determined by the minister?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.07 pm)—Yes, on the basis of the factors that are put to the minister by the relevant company in relation to those matters I have just referred to, such as what they do in-house, what they contract out et cetera.

Senator JOYCE (Queensland) (1.07 pm)—With the deregulation of containers and bags, will the proposed QA measures for containers and bags include measures to ensure that there is transparency to avoid the issues that have occurred, such as the Jordanian trucking company code of conduct—that is, what assurances are we putting into the quality assurance measures for containers and bags to ensure that there is no transfer of funds, by whatever mechanisms, to Mugabe, or that there is not another manifestation of Saddam Hussein?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.08 pm)—That issue is currently in progress. The quality assurance scheme is to be developed and finalised by the WEA. In fact, that is one of the reasons why we believe there is some urgency about this bill so that the bill can be passed and the quality assurance scheme can be put in place in time for the upcoming harvest.

Senator JOYCE (Queensland) (1.09 pm)—So is it the intent of the government to ensure that in those quality assurance measures we do put in protections to stop the illicit movement of money by way of bribes, or whatever, to parties which may be detrimental to this government’s policy, especially its foreign policy, on how we perceive regimes, entities and the conduct of countries overseas et cetera?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.09 pm)—It may help to indicate that the purpose of the QA scheme will not be to dictate the quality of wheat that can be exported but rather be to ensure that exporters are meeting the specifications of their contracts with customers. This will allow exporters to fill niche markets and market opportunities according to what the consumer wants, rather than limiting exports to artificially preset standards. In relation to the matter that Senator Joyce raised, I do not think that would be part of the quality assurance scheme.

Senator JOYCE (Queensland) (1.10 pm)—Is there any section within the legislation that will put a control on the deregulated trade of bags and containers, or is it envis-
aged that there will be an oversight to protect Australia from getting itself into another position, as was seen with the Jordanian trucking company code of conduct, or the payment scandal, as it was otherwise known?

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.11 pm)—The concerns expressed by the senator are quite proper concerns. We will not be dealing with them in this legislation. Issues of bribes being paid—illegal payments of moneys—are in fact dealt with in other laws.

**Senator O’BRIEN** (Tasmania) (1.11 pm)—Can the minister please advise the chamber whether an exposure draft of this legislation was shared with any party, obviously outside of cabinet, the minister’s office and the department, prior to its presentation to parliament?

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.12 pm)—That is a very wide question. I am not 100 per cent sure as to the extent of the consultation, but a number of government members were concerned. They saw drafts and they have also been consulting widely with constituents in various sectors around the country. That feedback has also been brought in. I am not sure exactly where the question is leading, but it is a very wide question. I cannot give an account of absolutely everybody who may have provided an exposure draft here, there or anywhere else. All I do know is that it was not provided to other departments within the government.

**Senator O’BRIEN** (Tasmania) (1.13 pm)—So there was an exposure draft shared with some people?

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.13 pm)—As I understand it, there was no exposure draft as such, but there was a draft bill, because it is a draft bill until such time as it is actually introduced. There was some consultation within government ranks and, as I understand it, elements of the government may well have consulted with others about the bill. Having said that, it would be fair to say that a huge, wide-ranging community debate about different approaches to this issue has taken place over some months and, undoubtedly, the minister, the government and the cabinet would have availed themselves of all those views and opinions that have been so freely expressed throughout the community.

**Senator O’BRIEN** (Tasmania) (1.14 pm)—From what you are saying, I take it that, if individuals outside the government, officers of the department or members of the ministry or cabinet saw this document, it was occasioned by the uncontrolled consultation of members of the government’s backbench.

**Senator JOYCE** (Queensland) (1.15 pm)—What is the definition, in the deregulated market, of a container—that is, what are its limitations—and what is the definition of a bag?

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.15 pm)—Do not tempt me, Senator, as to what the definition of a bag is, but I think in the context of this legislation I know what you are referring to and I do have an answer for you. As there is no definition of bags and containers in the Wheat Marketing Act, the common usage of the terms will continue to apply, as has been the practice since the current regulatory controls were put in place in 1999. I am advised that these are well understood within industry. A container is that which is used in standard shipping practice. They are usually—and I find these measures a lot more comfortable—either 20 feet or 40 feet in length and are capable of being loaded onto container vessels, and road and rail transport. It is normal for 20-foot containers to be used, as the weight of grain is...
such that a 40-foot container usually cannot be filled to capacity. Bags can vary in size from small packets of a couple of kilograms—and this is a new measurement which I hope you are acquainted with, Senator Joyce, unlike the imperial measure for length; I understand the industry uses imperial for containers and the metric system for weight—but typically are no more than 40 kilograms, and they are easily loaded onto containers. The WEA or its successor, the EWC, will not tolerate attempts to abuse or flout the deregulation of bags and containers. As stated earlier, the common usage terms ‘bags’ and ‘containers’ are well understood by industry and they remain unchanged by this bill.

Senator JOYCE (Queensland) (1.17 pm)—Thank you, Minister. I refer to the speech tabled by Senator Johnston, the Minister for Justice and Customs, in which he stated:

The Government has decided to give growers until 1 March 2008 to establish a new entity to manage the single desk. This entity may be either a completely new, grower owned and operated body, or a completely de-merged AWB (International) Ltd (AWBI).

In the second reading speech a completely demerged AWBI is allowed to be the designated entity; is that correct?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.18 pm)—I understand they are one and the same.

Senator O’BRIEN (Tasmania) (1.18 pm)—I still have not heard an answer to my earlier question. The dissemination of the draft bill, if it occurred, would have occurred only because members of the government chose to share it with individuals or organisations; is that how I should understand your earlier answer, Minister?
and again we as a government have said we do not legislate for sectoral interests; we legislate for the national interest.

Senator O’BRIEN (Tasmania) (1.22 pm)—I thought you consulted widely with growers about growers’ interests. Did anyone raise with the Grains Council of Australia the provisions on page 26 which repeal reference in the legislation to consultation with the Grains Council? Was there any consultation with the Grains Council about that? Was the intention to do that raised with them? If so, when and by whom?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.22 pm)—The answer is no.

Senator O’BRIEN (Tasmania) (1.23 pm)—It is interesting that this widely-consulting government takes a step to remove from the legislation a provision about consultation with the Grains Council—which is the peak body for the wheat industry, as I understand it—and specifically does not tell the Grains Council, or give them any chance to consult about that particular provision. Quite remarkable! In the provisions in schedule 1, the minister is to be given a new power to order the regulator to conduct an investigation if the minister determines it is in the public interest to do so. Why does the bill not require the minister to report to parliament in the event he does use his veto power?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.24 pm)—As I understand the situation, the minister can, but is not required to, report to the parliament. More importantly, the report can be given to appropriate authorities and can potentially be published quite widely. But there is no provision in the legislation, in answer to the question from the senator.

Senator O’BRIEN (Tasmania) (1.26 pm)—In relation to schedule 3, can the minister explain why the government has permitted nominated company B to continue as the single desk holder? Lest it be assumed when the minister is referring to the Ralph report that somehow growers have seen it and the opposition have seen it, I can assure him that nobody has seen it. Is it the intention of the minister to release that report? Even if it is in retrospect, we could then understand the basis upon which the minister determined the priorities for this legislative package. The government said that grower groups have to come up with a new entity and that entity must have grower support in order to become the designated company. Why doesn’t the
legislation contain a provision to poll growers to test their support for a proposed new entity taking over the single desk control, excluding the veto power?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.28 pm)—There are a number of issues there in relation to the report by Mr Ralph AC. I understand it was a report to the Prime Minister, and it is up to the Prime Minister when and if that report is to be released. As to the suggestion of a growers’ poll—I do not have instructions on that, and I am sure I will be corrected—at the end of the day, we as a government are willing to take responsibility for the legislation. There was some urgency in relation to this legislation, and we have indicated that time and time again. We are willing to stand by our decision, keeping in mind that, from our consultation, the feedback we got from growers was that they wanted certainty at the beginning of the growing season. As Senator O’Brien and I are exchanging questions and answers across the table, I understand there are many farmers out there, thankful for the rains that have fallen, driving tractors and planting seed, and they want some certainty for their industry. That is what we are trying to provide by getting this legislation through today.

Senator O’BRIEN (Tasmania) (1.29 pm)—It is a pretty shabby reason to push through this legislation, which clearly has not been the subject of any significant consultation with growers. I understand the Grains Council received a letter last night specifying the matters to which the minister referred in his contribution earlier—that is, the extent of the consultation with the peak grower organisation for the wheat industry. One would have to say that that does not inspire confidence in the future of the level of consultation that our growers will receive from the authority—or the Export Wheat Commission, as it will become—and it does not seem to indicate a justification for removing from the legislation a provision that would have guaranteed that consultation. This came without any warning whatsoever to grower organisations—certainly none that have spoken to my office—or to the Grains Council. It is just remarkable. I am pleased to hear the minister say the government takes responsibility for this legislation. It is a shocking thing to have to accept responsibility for the cavalier fashion in which the grower organisation was written out of the legislation. And no-one was consulted about this when the bill was introduced—naturally, they went through it and picked it up, and we were able to discern the changes ourselves. It is remarkable that there was no consultation about that earlier.

It is also remarkable, if we are to accept from a government that talks about employees, industrial action, ballots, proper controls and the like, that in this case the government is not prepared to ballot growers on a provision that will affect every one of their enterprises in terms of the sale on the international market of the commodity they grow. And, of course, we are a major exporter, and many growers depend almost entirely on the international market, particularly those in South Australia and Western Australia. There is also a lot of grain on the eastern states of Australia that is sold into the deregulated domestic markets. In fact, some people suggest that there are a few people running around arguing the same case that the National Party is arguing—that they have not put their grain into the pool for quite some time. But the National Party is content to manipulate the argument, perhaps because it wants to be relevant—perhaps for other reasons; I will let others comment about that. But it is a remarkable situation: no consultation about the bill in any significant sense; no consultation about measures in the bill that wrote out grower organisations.
And now we have the issue of the non-bulk exports, the boxed and bagged exports, in schedule 4. We want to get an understanding of why the government has introduced the so-called quality provision. I thought from the minister’s earlier reply that it is not actually supposed to be a quality assurance provision. I wonder whether the minister could remind us in his next contribution of the actual purpose of this provision, which does not apply to any other export commodity.

Senator Joyce—I don’t know about that.

Senator O’BRIEN—Oh, there are other provisions. Senator Joyce says he does not know about that. I can assure him that there are other provisions that apply to other commodities, in existing laws, which no doubt would apply in terms of AQIS and its role in relation to exports. I do not know why we need specific provisions in this legislation that, as a matter of fact, are a justification for delaying the introduction of this provision. The 60 days from royal assent, which I understand is the operative date, seems to be an unnecessary delay. If there is a commitment to the deregulations of boxed and bagged wheat, as it is colloquially described, then why can’t it happen upon royal assent? We do not know that there is a great need for an extensive system to so-called ‘assure quality’. And we do not know what cost that will impose on this measure. I know that there are some within the grower community who have a suspicion that this is another means by which the deregulation of containerised wheat will be made less economic, and it will therefore be an illusory deregulation. Those concerns are out there. But, whether or not those are valid concerns, I do not understand why we need to go through this process of ‘quality assurance’. If I were an exporter of barley—or canola, or lupins or any other of the dry-land farmed commodities that we export—I would not need to go through this process, so why should a wheat grower?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.35 pm)—If I may, I have a whole host of notes trying to deal with a whole host of issues raised by Senator O’Brien—before Senator Joyce adds to the list, I might try to get rid of some! Could I respectfully suggest to Senator O’Brien that we have had the political debate. I think the political points have been made by either side sufficiently—and I think that, if we could leave those as limited as possible, that would be very helpful in this committee stage. In relation to consultation with the GCA, I understand that they were consulted last year, especially in relation to the Uhrig changes, which I think you may have been referring to. On my advice, they also took part in the Ralph consultations. In relation to AWBI continuing to hold the single desk: that is not expected. The provision about the veto not returning to AWBI covers all contingencies. It is not expected to happen. The Prime Minister said on 22 May that, if no new entity had been created, we would consider our options.

I think Senator O’Brien would struggle to find a single wheat grower who feels that they have not had their voice heard. Growers have been consulted to within an inch of their lives and the thing that they really want is certainty. I take the point—and Senator Nash, Senator Adams and Senator Joyce may correct me on this—that some of the growers might not necessarily be fully satisfied with the outcome, but that is different to the issue of whether there has been consultation and discussion within their community on all the issues that should be put into the melting pot. From that point of view, I think there has been the sort of consultation that this government has become known for.
I apologise to my Nationals friends for quoting the member for New England, but I have been advised that he undertook a poll on what people wanted. There was 80 per cent support for a single desk. He consulted with his electorate and, just as much as he did, so did my Nationals and Liberal Party colleagues. If I have any knowledge about my colleagues, I am sure they would have done it even better than the member for New England. Also, submissions to the Ralph review support the government’s policy position.

By making it a requirement for exporters to comply with the quality assurance scheme, the government is also securing the reputation of Australia as a reliable supplier of quality wheat. What will that cost? Most wheat export contracts already involve sampling and testing for commercial reasons. I am advised that the cost of these tests varies but is typically in the range of $200 to $350 per test. The government expects that the costs under the QA scheme will be similar.

Senator Joyce (Queensland) (1.39 pm)—I just want to go back to the definition of a bag. I know this is technical but is a one-ton pallecon bag to be defined as a bag? When you buy seed, a lot of the time it comes out in one-ton bags. DAP comes out in a one-ton bag. Is that going to be defined as a bag or are we talking about the 40-kilogram bags?

Senator Abetz (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.40 pm)—I am advised that standard industry definitions and that which has been industry practice will apply. As I understand it, the term ‘bag’ has been used in legislation since 1999. That is some eight years without it occasioning any difficulties. Given that, we will be relying on industry practice, but, as with all these things, we will continue to monitor it to see how it progresses.

Senator Joyce (Queensland) (1.41 pm)—That is good because, under industry practice, if I ask for fertiliser to be delivered in bags, they will send it in 40- to 60-kilogram bags; they will not send it out in one-ton pallecons.

Senator O’Brien (Tasmania) (1.41 pm)—In relation to schedule 3, my reading of 3AA is that the minister is given permission, if not required, to declare a specified company as a designated company for the purposes of the act. There are certain requirements, such that it cannot be retrospective, that it must be a company registered under the Corporations Act, that the minister must cause a copy of the declaration to be published on the internet and that it is not disallowable. That deals with proposed subsections (1) to (5). Proposed subsections (6) to (10) talk about the revocation of such a declaration. Again, I do not think it can be retrospective, it has to be published and it is not disallowable. Proposed subsection (11) deals with the circumstances of a company ceasing to be registered under the Corporations Act. Proposed subsection (13) limits the time in which the minister can exercise the power to either designate a company or to revoke such a designation. That power would commence with the commencement of this schedule, which I think is to be in March 2008, and would cease to have effect from 30 June 2008. My question is: given subsection (12) reads, ‘Until the first declaration under subsection (1) takes effect, nominated company B is the designated company for the purposes of this act,’ isn’t it the case that, if the minister makes no designation for the period between 1 March 2008 and 30 June 2008, nominated company B remains the holder of the single desk power and will be able to export without permit? The only difference from the previous circumstances will be that it will not have the power of veto. Is
that a correct understanding of the legislation?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.44 pm)—The situation is that if the grower entity does not get up, if I can use that term, by 1 March 2008, further legislation will be needed before 30 June.

Senator O’BRIEN (Tasmania) (1.45 pm)—No, I am asking about this legislation. In the event that there is no other legislation, for whatever reason, do I correctly understand this bill to provide that, in the absence of a designation under 3AA(1), within that window that nominated company B—that is AWB—is the designated company and that cannot be changed without a bill going through this parliament?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.45 pm)—We are expecting the growers to come up with their own company—

Senator O’Brien—Why won’t you answer the question?

The TEMPORARY CHAIRMAN (Senator Forshaw)—Order!

Senator ABETZ—and while—

Senator O’Brien interjecting—

The TEMPORARY CHAIRMAN—Order, Senator O’Brien!

Senator ABETZ—In my very next breath I was going to say: chances are Senator O’Brien is technically correct, which is why the veto cannot return. As I said, we do not expect that to happen and the Prime Minister has said that further legislation would be undertaken if that were deemed to be the case.

Senator O’Brien (Tasmania) (1.46 pm)—The next question I have goes to schedule 5. Why are there no accountability provisions which relate back to the minister’s use of the temporary veto power? What measures are there to guard against conflict of interest? Why is it necessary to require the regulator to obtain written permission from the minister before providing permission to export? Those questions are ones I would appreciate an answer to so we can progress the committee stage of this debate.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.46 pm)—There were about three or so questions in that so—

The TEMPORARY CHAIRMAN—Minister, you will stand if you are seeking to address the committee.

Senator ABETZ—There were about three or so questions in that bracket and I will try to get some information. First of all, I understand that the minister is subject to the ADJR in relation to the administrative decisions that he might take in relation to this matter.

Senator O’Brien (Tasmania) (1.47 pm)—The other question that I asked was: what measures are there in the legislation to guard against conflict of interest in terms of the minister’s exercising of his power?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.47 pm)—There are basic normal provisions; I am not sure exactly where they are. In relation to any minister dealing with legislation or issues under his or her control there are requirements that they avoid conflicts of interest. That is something I am sure the minister would keep in mind.

Senator O’Brien (Tasmania) (1.48 pm)—Could the minister explain why it is necessary to require the regulator to obtain written permission from the minister before providing permission to export under section 60(1) of the legislation?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.48
pm)—I would imagine, and I am sure the advisers box will correct me, but it is undoubtedly to remove any doubt and to make absolutely sure that there cannot be any questions, or not as many questions—I suppose I had better be careful; being a lawyer, you can always ask questions. What is the old saying? A fool can ask more questions than a wise man can answer. But this provision undoubtedly would reduce the number of questions that might be able to be asked about the particular granting of a licence.

Senator O’BRIEN (Tasmania) (1.49 pm)—I have two questions that relate to a matter I raised earlier, which I do not believe has been satisfactorily answered. I would like it explained why the Grains Council of Australia, as the peak body for compulsory consultation, has been removed and why the legislation also removes the requirement for compulsory consultation and reporting to the wheat industry?

Senator O’BRIEN (Tasmania) (1.50 pm)—I appreciate that part of the answer, but why does the legislation remove the requirement for compulsory reporting to the industry?

Senator O’BRIEN (Tasmania) (1.50 pm)—Can the minister draw our attention to that provision?

Senator O’BRIEN (Tasmania) (1.50 pm)—I cannot, but I am sure vicariously, or whatever the term is, I will be able to in due course. And I am now in a position to do so. On page 4 we have clause 5C ‘Reports about nominated company B’s performance’. There is then a subheading ‘Report for Minister’. Over the page, on page 5, you find ‘Report for growers’ and subsections (3) and (4) deal with that. They say:

(3) The Authority must prepare and publish a report for growers each financial year in relation to:
   (a) nominated company B’s performance in relation to the export of wheat for the year; and
   (b) the benefits to growers that resulted from that performance.

(4) The Authority must publish the report for a financial year on or before 31 December in the next financial year.

This is in the act.

Senator O’BRIEN (Tasmania) (1.51 pm)—Are those provisions relevant to the Export Wheat Commission’s functions?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (1.52 pm)—Yes.

Senator O’BRIEN (Tasmania) (1.52 pm)—The opposition opposes items (1) and (2) on sheet 5312 in the following terms:

(1) Schedule 1, page 3 (line 2) to page 6 (line 15), TO BE OPPOSED.
(2) Schedules 3 to 6, page 8 (line 2) to page 41 (line 23), TO OPPOSED.

Labor remain of the view that this legislation package is a shambles. It is clear now that there has not been adequate consultation with growers. It is clear that, in respect of some of the provisions, there was not adequate consultation with the Grains Council before reference to them was removed from the legislation. Labor would have sympathy for a number of provisions in this legislation, but we have no confidence in the totality of the package. We do not seek to oppose
schedule 2, which is the extension of the veto power, consistent with all we have said, but we believe that the rest of this bill should be set aside. The government could reintroduce legislation—indeed, a committee could inquire into these measures and report by the resumption of the Senate in August, when these matters could be properly dealt with. That remains our view; hence we feel it would be inappropriate not to oppose these schedules.

The TEMPORARY CHAIRMAN (Senator Forshaw)—The question is that schedule 1 and schedules 3 to 6 stand as printed.

Question agreed to.

Senator O'BRIEN (Tasmania) (1.54 pm)—I move opposition amendment (1) on sheet 5307:

(1) Clause 2, page 2 (cell at table item 4, column 2), omit the cell, substitute:

The day on which this Act receives the Royal Assent.

This amendment relates to the date from which the provisions that deregulate bagged and containerised wheat would apply. The opposition sees no reason for a delay in this regard. If the government is content for these provisions to go ahead, for the deregulation to occur, we see no reason to delay it. We see no justification in the measures which are said to justify the delay, there already being a variety of measures which relate to the quality of any goods exported from the country and particularly those that are administered by AQIS. We believe that, in respect of the commercial arrangements that are entered into, the measures which are placed around the export of containerised or bagged wheat are simply cost impositions that serve little or no purpose and in fact restrain the so-called deregulation of the wheat that would be permitted to be exported without an export permit; in other words, a backdoor constraint on the so-called deregulation.

The operative date would be no problem for the industry; indeed, that is the information which has been received by my office. There is no need for an extensive period to consider the matters which the government says necessitate the 60 days. We believe it is appropriate at this time that, if this amendment is accepted, it be given effect immediately the bill has received royal assent.

The TEMPORARY CHAIRMAN—The question is that amendment (1) moved by Senator O’Brien be agreed to.

Question negatived.

Senator O'BRIEN (Tasmania) (1.58 pm)—Schedule 1, item 2 is the specific provision that permits the commission or authority to request a report—sections 5DA and 5DB. As I said earlier, the amendments do not address long-held concerns that the regulator is toothless. Why didn’t the government give the regulator power to require rather than simply to request? What power will the regulator have if the corporation or person fails to comply? I say again that one of the problems with the Wheat Export Authority’s monitoring of AWB was that they had just such a problem—their power to require material information was constantly thwarted and they needed to negotiate a memorandum of understanding with AWB to get access to material on terms agreeable to AWB. Now we see a provision in the bill that, for the future, puts a similar problem directly in the path of the authority. Therefore it is inappropriate that this matter proceed in the way that has been proposed, which is why we seek to amend those provisions by including in them the word ‘require’ rather than ‘request’. In that regard we will be keen to press that document further.

Progress reported.
QUESTIONS WITHOUT NOTICE

Broadband

Senator MOORE (2.00 pm)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. I refer the minister to her claim that the government has:

... met our commitment to ensure affordability and metro-comparable pricing for all Australians regardless of where they live ...

Can the minister confirm that leading analyst Gartner has found that Australians in rural and regional areas will need to spend up to $1,000 on satellite dishes and aerials to access her second-rate service? Can the minister now guarantee that rural and regional Australians will not be forced to buy expensive equipment which Australians living in metropolitan areas do not need to have? How can the minister claim that she is providing ‘metro-comparable pricing’ if rural and regional Australians have to pay $1,000 just to access that service?

Senator COONAN—I thank Senator Moore for her question. I have received some advice that the wholesale network— that is, the OPEL wholesale network—will provide metro-comparable prices thanks, of course, to this government’s assistance with a subsidy to enable them to roll out a world-class new wholesale network in rural and regional Australia. Wholesale prices across the whole network will range from around $27 for entry-level services up to about $42 for the higher-speed services—that is, those up to 12 megabits, Senator Moore.

Opposition senators interjecting—

Senator COONAN—So that is $42 for up to 12 megabits; and for 12 megabits it is $60, if my memory serves me correctly. Whether individual users will need to update their modem will depend on the equipment they are using now and the type of service they purchase, as you would expect. Users of

the new WiMAX network will most likely be required to have some specific equipment. OPEL has indicated that WiMAX equipment will not cost what Senator Moore is claiming but rather in the range of $150 to $250 including an external antenna and customer premises equipment. OPEL obviously has to advise what specific prices will be because it will need to undertake a tender and test its market for suppliers. Considering the size of the project, which is to roll out a world-class new wholesale network across Australia that will deliver affordable metro-comparable broadband to 99 per cent of Australians at 12 megabits per minute by 2009, it is anticipated that it will be able to negotiate considerable savings even on these quoted prices.

Any cost savings achieved through the tender process may be directed towards either extending its network coverage or improving service outcomes for the benefit of end users. Individual retail prices, of course, will be set by the companies which will have access to this network. Anyone can have access to it at parity prices right across the network, but obviously they will sell their services over the OPEL network for the individual retail prices they set. For instance, Elders has indicated that it will sell broadband services for around $35 for entry-level services ranging up to $60 for 12-megabit services.

We are certain that we will be able to offer metro-comparable prices. This stands in stark contrast to the Labor Party, which has only issued a press release and has never even mentioned a price, let alone a metro-comparable price. It is a complete and utter gap in the Labor Party’s policy press release. It has not even mentioned where its alleged rollout of fibre will go, let alone at what price it will go for.

Senator MOORE—Mr President, I ask a supplementary question. Without accurate
details or even mentioning the actual cost of the equipment, isn’t this just the latest in a series of misleading claims by the government about the reality of its broadband policy? Given that the minister has now misrepresented speeds, coverage and even pricing of this second-rate service, why should anyone even believe any of the claims about this broadband policy?

Senator COONAN—I will tell you what the Australian people are asking. They are asking: where are the Labor Party’s plans? Where are their technical details? Who is going to be left out? What prices are the Labor Party going to charge? This government has a comprehensive and clear plan which the Labor Party do not like. I call on the Labor Party to come clean, to have a bit of courage, to show us their plans and to show us their details. Then they might be taken seriously.

Indigenous Communities

Senator BOSWELL (2.06 pm)—My question is to the Minister for Community Services, Senator Scullion. Will the minister update the Senate on the serious challenges confronting Indigenous communities in the Northern Territory and what the government is doing to protect the children in these communities?

Senator SCULLION—I thank Senator Boswell for his question and acknowledge his feelings of abhorrence of child abuse wherever it occurs in Australia. This issue is seen in exactly the same way in the eyes of every Australian. I rose in this place yesterday in response to an unsolicited question from Democrat Senator Bartlett and I made it absolutely clear that this government will stop at nothing to ensure that the protection of Indigenous people and their children in these communities remains a priority of the highest level.

This is no less than a national emergency. I am happy to inform the Senate that we will not be dealing with this in any other way than as a national emergency. We have had the cyclone of child abuse leave battered the minds and bodies of the most vulnerable of First Australians across the Northern Territory and very likely across the top of the entire Australian continent.

We have today announced a range of initiatives that deal with the emergency response in much the same way as we would with any other type of cyclone. We will first move to stabilise the communities in which this is happening, and then will we move to normalise them. In the most recent report, which is entitled Little children are sacred, one of the principal recommendations and recognitions in the report is that there is a very close association with substance abuse, particularly alcohol—the rivers of alcohol that run into Indigenous communities—that needs to be dealt with. The initiatives announced today indicate that in all Aboriginal lands in the Northern Territory described under the Aboriginal land rights act, and town camps and other Indigenous communities identified by the act, there will be no trafficking of any alcohol, there will be no consumption of any alcohol and there will be a total prohibition on alcohol, with the only exemption being for existing areas that are licensed under the Liquor Licensing Act.

Today we have foreshadowed amendments to the welfare act that ensure that those persons who have been on welfare for more than a two-year period will have coupons for 50 per cent of their welfare payment. This will ensure that the safety and welfare of the family and the children are met. Of course, the future of these individuals is a function of school attendance and there will be announcements made in much the same vein with regard to welfare payments and school attendance. Also, every
child in these communities is going to have a health check.

The Commonwealth will compulsorily acquire some 50 townships. We will then move, under the Constitution, to ensure that compensation is paid on just terms. We will be providing extra police—10 police from every police force around Australia—to assist the Northern Territory with the provision of safety and law and order and to provide the same cover of law and order that we enjoy in all other parts of Australia. We will be assisting with the clean-up of the communities by ensuring that we have the Welfare to Work process. We will be banning the possession and use of X-rated pornography in these communities and in these areas. We will be abolishing the permit system as it applies to public roads and public areas within townships.

These are wide-ranging changes, and many will say that many rights will be trodden on. There is no doubt about that. But we fundamentally believe that it is the right to protection of the youngest and most vulnerable of our First Australians that should come first.

Senator BOSWELL—Mr President, I ask a supplementary question. Could the minister further inform the Senate on initiatives to rid Australia’s Indigenous communities of child sex abuse?

Senator SCULLION—I thank the senator for the supplementary question. We will also be appointing administrators to these communities to assist in the governance of the communities. We are making broad based reforms. This is all about how the Commonwealth can assist in this emergency. On one of the most important issues and incentives required in this, we are formally referring the issues that were highlighted in this report and others to the Australian Crime Commission for investigation. It is a great tragedy in the eyes of every Australian that we get newspaper reports and we get the Little children are sacred report that identifies 45 communities across Australia and we know that there are paedophiles working within those communities. The frustration of it is that everybody knows it reflects the Australian view that these perpetrators need to be brought to justice. That is why all of these matters will be referred directly to the Australian Crime Commission.

**Broadband**

Senator GEORGE CAMPBELL (2.11 pm)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. I refer the minister to her claim that under her broadband network:

You’ll be able to take your laptop out to the shed and you’ll be able to get on with business in the global economy ...

Can the minister confirm that the technology standard used by her second-rate service is not compatible with the existing chipsets in laptops? Doesn’t that mean that taking your laptop out to the shed, or anywhere else for that matter, to do business with the global economy will simply not be possible? Isn’t this another example, Minister, of you misrepresenting the technology’s capacity and providing second-rate services for rural and regional Australians?

Senator COONAN—The answer to that is no. The chipsets will be available, I think, at the end of 2008. They will be manufactured by Intel. The claims that have been made about this particular technology are not correct. I particularly note that Austar has now selected Nortel as the preferred vendor for deployment of a WiMAX network. It clearly demonstrates that WiMAX is an appropriate technology for Australia. The class licence spectrum band is being utilised by the majority of wireless broadband providers
in regional areas and is capable of supporting the high-quality services which OPEL will be implementing, including a 12-megabit speed.

Senator Conroy—Up to 12 megabits.

Senator COONAN—No, 12 megabits, Senator Conroy. ACMA is aware of the complexities of operating different devices on a class licence spectrum. The issue is being addressed in a comprehensive spectrum management plan. It was consulted prior to the selection of OPEL as the preferred bidder. It was confirmed that the OPEL approach was sound and technologically deliverable. ACMA advises that interference is a minimal issue at best in rural areas where OPEL will be using it, because there are fewer operators. Those of us who listened to this debate over the last week will know that this government will be using a mix of technologies in this new network. The wireless network will be deployed appropriately in rural and regional areas.

ACMA is currently examining other potential bands that may be made available for wireless access services, including the possibility of spectrum and the adjacent spectrum bands. As a general point, WiMAX manufacturers state that their equipment fully addresses any problems of spectrum interference on a class licence spectrum. I am very glad that Senator George Campbell has given me an opportunity once again to showcase this government’s broadband initiative.

I have a note here from somebody whom I do not think I have actually met; Mr Ondarchie calls himself a ‘telecommunications industry veteran’. He is Chairman and CEO of Clever Communications Australia. I thought what he said was very interesting and I should put it on record. He said:

Kevin Rudd—
and you can interpolate that, Senator Conroy, and everyone else over on that side—has publicly made a number of statements on wireless technology that have been reported in the media, including comments that wireless technologies are second-rate and have a maximum distance of 20 kilometres. Both of these statements are untrue. It is a shame to see a political leader making such an uneducated and misleading comment regarding wireless technology. By dismissing wireless technology, he is robbing Australians in rural and regional areas of a genuine alternative technology with the potential to deliver rapid access to high speed broadband services.

I say to the Labor Party, who have not released one single detail about their fraud plan: here is your test. Put up or shut up; show us some technical detail, or else you are not qualified to comment.

Senator GEORGE CAMPBELL—Mr President, I ask a supplementary question. I refer to the minister’s inaccurately titled ‘WiMAX fact sheet’ in which she claims that the government’s network will be compatible with PCs, cameras, personal music devices and PDAs. Why doesn’t the minister confirm that in fact the opposite is true and that the technology used by her second-rate service is not compatible with these items, and, further, that people will need to pay $300 to buy the necessary adaptor or, alternatively, a new laptop?

Senator Conroy interjecting—

Senator COONAN—Senator Conroy and Senator Campbell really need to go and do a bit of work experience on some of this; they need to go and have a look at the technology. I stand by my claims.

Taxation

Senator FIFIELD (2.17 pm)—My question is to Senator Minchin, the Minister representing the Prime Minister. From 1 July, Australian families will start benefiting from a range of income tax cuts, superannuation tax cuts and other benefit increases being delivered by the government. Will the minis-
chamber

provide detail on how these initiatives will assist the Australian community?

Senator MINCHIN—I thank Senator Fifield for that appropriate question. Senator Fifield is quite right: 1 July does mark a very significant date for Australian taxpayers. It is the day when the human dividend of our very strong economic management and our strong budget does flow through to all Australians. In just 10 days time, personal income tax cuts worth $31.5 billion will start flowing through to Australian households, and every single Australian taxpayer will benefit. The 30 per cent threshold is being raised, the low-income tax offset is being increased and from 1 July next year the 40 per cent and 45 per cent thresholds will also be increased. So it is a comprehensive, across-the-board tax cut, putting over $31 billion back into the pockets of taxpayers and, very importantly from our government’s point of view, ensuring that 80 per cent of taxpayers pay no more than 30c in the dollar in tax. In individual terms that means that a taxpayer earning $30,000 to $40,000 a year will receive a tax cut of $1,100 in 10 days time.

If you look at the tax cuts we have delivered over the last three years, you see that the cumulative effect is quite substantial. A taxpayer on $30,000 a year will have had their tax burden reduced by no less than 45 per cent. A taxpayer on $40,000 a year will have had their tax bill reduced by 25 per cent. When you add in the range of assistance payments as well, the position for Australian families is very good. As the ABS reported last week, if you look at all the benefits that families receive from our government, you see that the average Australian family does not pay any net tax. In fact they receive from the government net receipts. So only the top 40 per cent of Australian families pay any net tax at all—a magnificent reform by our government.

The date of 1 July also marks the commencement of our simplified superannuation reforms. Over a period of years superannuation taxation has become very complicated. At the moment, a lump sum superannuation benefit may include up to eight different parts which can be taxed in seven different ways. The virtue of what happens in 10 days time is that all that complexity goes. Australians aged 60 and over who have already paid tax on their superannuation contributions and earnings will not pay tax on their superannuation benefits. So older Australians will be able to better provide for themselves in their retirement and it will provide an incentive for them to continue to work in their transition to retirement.

All of these tax cuts show that all sectors of Australia are sharing in the benefits of our good economic management. That is why we want to keep delivering surpluses: so that we can keep the pressure off interest rates and have the resources available to keep the pressure off taxation, provide better services and invest in infrastructure.

If you look at the Labor alternative, you see that all this can be put at risk. Labor frankly admit that they do not have a tax policy. They say, ‘What they’ve got, we’ll have.’ Apart from having no tax policy, they have no plan to keep the economy strong. As I have said before, they have got two policies. One is to put the unions back in charge of workplace relations; the other is to trash the economy through their CO2 reduction program. Of course, their claim that productivity is the big problem for Australia has been completely blown away in the last week, including yesterday by the OECD, which exposed their lie about their position on productivity. We have seen with the Labor budgets how utterly irresponsible they are. What you see from Labor state governments with their budgets is what you would get from that mob opposite if they ever got a
chance to run this economy. This country should not ever take a risk on this untried, inexperienced opposition that we have opposite.

Broadband

Senator CONROY (2.22 pm)—My question is to Senator Coonan, Minister for Communications, Information Technology and the Arts. I refer the minister to her claim that she is delivering a ‘state-of-the-art national broadband network’ for rural and regional Australia. Hasn’t this claim been totally discredited by evidence that the minister’s second-rate service will not work properly if you live in a hilly area, it is raining, you are using the microwave, someone in your house is on the phone, you are using a baby monitor, your garage door is being opened, your neighbours are online at the same time or you are using a laptop? Don’t these most basic problems show that the minister has failed to deliver anything more than a second-rate service for much of outer metropolitan and rural and regional Australia? You should get a lesson in WiMAX.

Senator Abetz—Mr President, on a point of order: I understand that there is a standing order about tedious repetition, and this has simply been a tedious repetition of Senator Marshall’s question from yesterday.

The PRESIDENT—Order! There is no point of order.

Senator Chris Evans—Mr President, I take a point of order too, if we are going to discuss relevance. I note that the minister has done the same Dorothy dixer and read the same script three days in a row, so maybe Senator Abetz ought to take it up with her.

The PRESIDENT—Order! When you come to order, Senator, we will continue with question time.

Senator COONAN—It is pretty obvious that the opposition are starting to run a bit threadbare in trying to find something wrong with a policy that delivers first-class broadband to all Australians, that ensures there is going to be universal broadband coverage regardless of where you live and that 99 per cent of the population will have speeds of 12 megabits per second—several years before the Labor Party will have the speed they are promising. For some reason, the opposition simply think they are technology experts. I have never met so many broadband prophets in my life. Rather than setting ourselves up as technological experts, what the government have done is to have a very rigorous and robust competitive grants process that has let experts make the assessments, not the government and certainly not Senator Conroy. The government lets the commercial market pick technologies because they are properly the experts. They are the ones who appropriately take commercial risk, and the two companies that are going to form the OPEL joint venture certainly have skin in the game to the tune of about $1 billion of their own capital funds.

As I have said, the government conducted a competitive assessment and an independent panel that, by expert advice from Consutel, has selected this company and this technology. It will use a mix of technologies to extend high-speed broadband to 99 per cent of premises. Alvari, for instance, a leading equipment manufacturer, recently advised that it has tested WiMAX technology in Australia of the type that will be available to OPEL, and the trials have demonstrated that this technology will provide broadband out to a distance of 20 kilometres at the speeds we have claimed. The government will ensure that Ernex, a specialist testing laboratory, will be able to fully verify OPEL’s coverage speed and service quality so that all consumers can be confident that these services are being delivered. This is in stark contrast to the fact that the ALP’s only foray
into this, apart from a press release 90 days ago, with no supporting evidence, was a foray to support dial-up—

Senator Chris Evans interjecting—

The President—Order! Senator Evans!

Senator Coonan—The Labor Party were so technology savvy that just a matter of a couple of years ago they were trying to urge dial-up internet on this government. Thankfully, we do not pick technologies; we let the market pick a technology. If you are actually talking about technology, hasn’t the Labor Party picked one themselves with fibre to the node? Really and truly, they do not know whether they are coming or going with this. They should just give up and give in and recognise that this is simply a superior proposal, a complete proposal for Australians regardless of where they live.

Senator Conroy—Mr President, I would hope all her colleagues notice that Senator Coonan just confirmed that Kevin Rudd was correct, despite what she read out a moment ago. I ask a supplementary question. Can the minister confirm that it is not just the bush that will experience these problems? Won’t fast-growing parts of capital cities such as Meadow Springs and Halls Head in Perth, as well as cities like Burnie and Devonport, also have to put up with a second-rate service? Is this why the minister’s second-rate plan has been described as the ‘beta video of broadband’?

Senator Coonan—Actually, I did note that comment, but it was made by Ericsson, and—guess what?—Ericsson supplies Telstra and advises on 3G mobile wireless solutions. So, poor old Senator Conroy, you are going to have to do a bit better than that. How about you show us your own plans? How about you tell us what prices you would suggest? And why don’t you tell us which 25 per cent of Australians are simply going to be left out under your totally uncosted, unthought-out plan?

Workplace Relations

Senator Bernardi (2.29 pm)—My question is to the Minister representing the Minister for Employment and Workplace Relations, Senator Abetz. Has the minister seen reports about union officials carrying out illegal, militant or unlawful activity in the workplace? What is the government’s response?

Senator Abetz—I thank that excellent representative of the people of South Australia, Senator Bernardi, for his question. Yes, I have seen such reports all over the TV news last night and again this morning. I saw the assistant secretary of the CFMEU—

Senator George Campbell—Mr President, would you call Senator Birmingham to order. He is showing posters around the chamber and it is disorderly.

The President—If that is the case, it is disorderly. It is disorderly to exhibit postcards in the Senate and I would remind senators not to do that.

Senator Abetz—I saw the assistant secretary of the CFMEU in Western Australia caught on candid camera abusing in the most foul language a person, even calling him ‘an [expletive deleted] murderous bastard’. Then this morning I saw a report about a turf war at a worksite between unionists in New South Wales, turf warfare which left one union official with a broken foot and another allegedly receiving death threats—mayhem, as the union movement salivates at the prospect of a Rudd-Gillard government and they are fighting over the spoils that a Labor union-friendly government might deliver them!

I have also seen other interesting reports. But first I want to point out what Ms Gillard said about unlawful union activity this morning. She said:
Under our leadership of the Labor Party there will be zero tolerance of unlawful conduct ... you will be expelled.

Now listen to this. This is what the Cole royal commission found about someone, and I will let those opposite guess who:

I am satisfied on the evidence before me that [someone] engaged in unlawful conduct. They know who it is and we know who it is. It is the Labor candidate for Franklin, the one the Labor Party said was the best person to represent the people of Franklin. Knowing what the Cole royal commission found—that he had engaged in unlawful conduct—Mr Rudd and the Australian Labor Party were prepared to endorse him. It is within the power of Mr Rudd and Ms Gillard, if the tough talking is to be believed, to have this man disendorsed. We all know that anybody that might be expelled from the Labor Party at the moment will be quickly readmitted after the next election. This is nothing more than a public charade. If Mr Rudd were serious he would not only expel some union officials, he would expel his policy to abolish the ABCC. In private the Labor Party are treating these guys as heroes. This is why I am reliably informed that the ALP is seeking to auction certain posters personally autographed—and I seek to table this document—

The PRESIDENT—Order! I have already made a ruling about that. I would ask you to put that away. We have made a ruling about that. You can table the document but you may not display it.

Senator ABETZ—That document displays Mr Joe McDonald and Mr Kevin Reynolds with some very interesting reading. The Labor Party want these posters autographed by Joe McDonald and Kevin Reynolds and they will then auction them as a laugh at fundraisers and of course the individuals will be readmitted to the Labor Party as soon as the election is over.

The test for Mr Mighell’s expulsion was bad language—he had to be expelled for bad language and the money paid back. When it comes to the CFMEU it has now got to be unlawful conduct. You are only expelled but the money does not have to be paid back—because it is $6.3 million. That is why some cracks are starting to emerge—and I am not talking about Dean Mighell in this regard—in the way that Mr Rudd is dealing with this issue. He has got to come clean with the people of Australia and not only expel these unionists but expel the abhorrent policies.

Telstra

Senator FIELDING (2.33 pm)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. Minister, over the past few weeks we have seen the fallout of the government’s decision to sell off all of Telstra, which Family First opposed, with the company announcing it will immediately slash 500 jobs as part of its grand slash-and-burn strategy to cull 12,000 jobs over the next three years. I note also that you have publicly condemned Telstra for its actions. Minister, given you led the campaign to sell off Telstra, what do you say to the thousands of Australian workers and their families whose lives will be devastated by these massive job losses?

Senator COONAN—I thank Senator Fielding for the question. The first point I would make about that is that, whilst I have publicly stated that I have a good deal of sympathy for anyone whose job is under threat, Telstra is a commercial company and it has been a commercial company and run as such in effect since the Labor Party have been in government. So I do not really think that Senator Fielding can draw any connec-
tion between the full sale of Telstra and any particular job loss.

However, having said that, I do think it is disappointing that Telstra has taken a decision to close down call centres especially in regional areas. I think that is really where the critical issue is. Although we have had the lowest unemployment in some 30 years—and I think it is now 4.3 per cent—it is often very difficult in regional centres for these kinds of jobs to be replaced. So my office has had discussions with Telstra and the discussions are currently ongoing. Initially they have been very constructive and we have gone through some options to minimise the impact of the decision. The options are now under consideration and will be worked through in the coming weeks.

There are some options in relation to the closure of some of the call centres particularly the one in Tasmania, in Launceston, which employs more than 250 people. There are some other options if Telstra does not reconsider this decision. I am certainly not in a position to say what those other options are but I am very confident that we will be in a position to ensure that those who are adversely affected by these decisions will be looked after in other ways by this government. We do appreciate that a job is very important. That is why this government has been so keen to promote policies that give people a chance of having a job. That is the way in which we will be approaching this matter as it affects Telstra and its call centres.

Senator FIELDING—Mr President, I ask a supplementary question. Minister, recent media reports have revealed a Telstra executive said that the organisation had to be more efficient and run like a dictatorship. The executive said:

We run an absolute dictatorship and that’s what’s going to drive this transformation and deliver results... If you can’t get the people to go there and you try once and you try twice... then you just shoot ’em and get them out of the way.

Minister, do you agree that Telstra should be run as a dictatorship in a bid to be more efficient, and how do you respond to its attitude to staff of ‘just shoot ’em and get them out of the way’?

Senator COONAN—I am not aware of that comment. Certainly, Senator Fielding has not identified who is alleged to have made that comment. Clearly, it is important that employees are treated as indeed employers need to be treated—with respect and in accordance with the law. That is what I would say. In respect of job losses that may arise as a result of Telstra’s proposed closure of the call centres, I have already indicated a plan of action that will continue to consult with Telstra to minimise the impact on affected individuals.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of a Political Exchange Council delegation from New Zealand. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate. Whilst I am on my feet I also welcome former Senator Parer, who is in the gallery, to the Senate. It is good to see him back.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Broadband

Senator BARNETT (2.38 pm)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. Will the minister please provide details to the Senate on government action to further protect, enhance and support the future of telecommunications services in rural and regional Australia?
Senator COONAN—Yes, Senator Barnett, with pleasure I will deal with the issues of ensuring that those in regional and rural Australia enjoy equity in telecommunications services. As I have said, the Howard government has now released a comprehensive and far-reaching broadband policy, the first that this country has seen. It will mean that all Australians, regardless of where they live, can have access to broadband. It includes the construction of a new $1.8 billion state-of-the-art independent network that will extend high-speed broadband to 99 per cent of the population by 2009.

It also includes a process to ensure a fast fibre network build covering capital cities and regional centres, and legislation to lock in the $2 billion Communications Fund to ensure the future benefit of regional and rural Australians. I am sorry to say that it is necessary to do this but the Labor Party has committed to drain the entire $2 billion from the Communications Fund, rob the bush of its ongoing funding and squander it on a commercially viable network that will only reach 75 per cent of the population. The Labor Party has no answer at all as to how to provide a broadband service to the remaining 25 per cent of Australians who will miss out under its one-size-fits-all approach.

Over the last couple of days we have seen the Labor Party’s proposal, which will not deliver fibre past 75 per cent of the population, simply wilt under the barrage of admissions from their own side. First we had the shadow minister for defence, Mr Fitzgibbon, a shadow cabinet minister no less, admitting that millions of Australians would be left out in the cold, neglected and forgotten, under Labor’s broadband proposal that did not have any technical backing. They are at it again with an admission now from Mr Warren Snowdon, the member for Lingiari, who said in an interview with Territory FM yesterday:

In the case of the Northern Territory we would say that all of the major urban centres would have access to fibre and the remainder of the Northern Territory would have the next best technology which would provide the best in equivalent level of service that we can possibly make available.

Interviewer: Which would have to be wireless, I presume?
Warren Snowdon: Wireless in some form, yes.

So not only do we have a clear admission that Labor has no idea of how far fibre would go beyond major suburban centres but also a clear admission that the best service for regional areas is wireless. Labor should know by now that there is more to policy than simply issuing a press release. Its inexperience is well and truly on show for all to see. Labor is simply out of its depth when it comes to important decisions that affect all Australians.

Senator BARNETT—Mr President, I ask a supplementary question. Is the minister aware of any alternative policies of any detail or any substance whatsoever?

Senator COONAN—I thank Senator Barnett for the supplementary. I can inform him that there are no alternative detailed policies at all, that I am aware of. It is now 90 days since Labor’s hollow press release and I now call on Senator Conroy not to hold back, don’t be shy, show us Labor’s coverage maps and show us Labor’s costings to back up your claims. Tell us who will be in and who will be left behind, and tell us what will be fibre and, now, what will be wireless. Here is a test for the Labor Party; Labor must now put up or shut up on broadband. Labor has been caught spruiking a broadband story that does not stack up. The Australian public deserve better than a flimsy, uncosted, untested and incomplete proposal that leaves 25 per cent of Australians without a service.

Climate Change

Senator WEBBER (2.43 pm)—My question is to Senator Abetz, the Minister repre-
senting the Minister for the Environment and Water Resources. Does the minister recall asserting last week that a target of cutting greenhouse emissions by 60 per cent by 2050 would ‘ensure that every child would live in poverty by the year 2050’? Is the minister aware that a 60 per cent reduction target has been supported by the CSIRO, as Australia’s top scientific advisory body; the Australian Business Roundtable on Climate Change; and Dr Ziggy Switkowski, the Prime Minister’s own nuclear adviser? Haven’t these experts concluded that Australia will be able to cut emissions by 60 per cent by 2050 and still maintain strong economic growth? Can the minister now explain what makes him think that he is right and business and scientific experts as well as the government’s own advisers are all wrong?

Senator ABETZ—We as a government have always been consistent in relation to this very important issue. The important situation for those opposite to take in mind is that you cannot simply pick and choose bits and pieces of people’s quotations. The good Dr Ziggy whom Senator Webber seeks to quote is also somebody who has put on the table for our consideration nuclear power as an answer to reducing greenhouse gases—a proposal that the Labor Party are refusing to accept or consider in any way, shape or form. Therefore, if she wants to rely on the good Dr Ziggy, can I suggest that she accepts all of his medicine, which of course does include nuclear power.

What is also very interesting in relation to this is that we as a government were concerned about climate change and, as a result, we set up the Greenhouse Office in 1998. Since that time, those opposite have asked 34 questions in relation to greenhouse gases and global warming. That seems to be a pretty good number of questions, until such time as you ask: when were they actually asked in this place? Out of the 34 questions since 1998, 30 of them have been asked in the past 12 months. Year after year has gone by since 1998 without the Labor Party asking a single question on this very important issue. We on this side, however, raised the issue via doro-thy dixers on 44 occasions. In other words, we have been engaging on this topic on a regular basis, unlike those opposite, who discovered it about 12 months ago, some eight or nine years after we established the Greenhouse Office. Now they are asking all the questions and unfortunately have conned some in the media gallery that they are somehow the champions of this issue. They are not. They are Kevin-come-latelies to this issue, very much Kevin-come-latelies. The people of Australia know that we have to deal with the issue of climate change, given the report of the prime ministerial task force, in a way that embraces the global community—

Senator Chris Evans—Will every child live in poverty or not?

The PRESIDENT—Senator Evans, you complained earlier about tedious repetition. You have been tediously interjecting all question time, and I ask you to come to order.

Senator ABETZ—because, if we do not engage the global community, we will be committing Australia to economic poverty without any environmental benefit. That is very clear from the prime ministerial task force. It is absolutely obvious to anybody. That is why we need to engage globally. Also, the prime ministerial task force exposed, for all to see, how pathetic the Labor Party policy is in relation to saying, ‘We can fix this by signing up to Kyoto’—Kyoto, an agreement that does not deal with the majority of the world’s greenhouse gas emissions. This is the Labor Party policy. What they will be doing is committing us to a lower economic standard of living, a low standard
which we do not need to have. It is the Garrett recession that we do not need to have. That is why we as a government will continue on our steady but sure progress in relation to this very important issue, an issue on which we have been working now well and truly for over a decade.

Senator WEBBER—Mr President, I ask a supplementary question. I take it from the minister’s answer that he is of the view that he is right and the government’s experts are wrong. Doesn’t the minister’s outrageous claim demonstrate that the Howard government is manifestly incapable of responding to the threat of dangerous climate change? Don’t the minister’s absurd comments, which are refuted by business and scientific experts, make it clear that the government does not believe that climate change is a problem and so is not prepared to take serious action to address it?

Senator ABETZ—What a bizarre proposition. We as a government took it so seriously that in 1998 we started off with a Greenhouse Office. Since then, we have spent literally hundreds of millions of dollars developing alternative energy sources, such as the solar city that Mr Costello was involved in recently. We had the mandatory renewable energy targets of two per cent, set by this government. I could go on and on. But what is important is that we deal with this issue in a sensible way and not in a cheap, opportunistic way, because one thing that we do not want to do is submit the Australian pensioner, the Australian working family and Australian industry to energy charges that would drive down their standard of living for no benefit to the environment.

Exercise Talisman Sabre

Senator BARTLETT (2.50 pm)—My question is to the Minister representing the Minister for Defence. Is the minister aware that field training exercises for Talisman Sabre 2007 have commenced and will continue until 2 July in Central Queensland’s Shoalwater Bay and that the Department of Defence website states that ‘environmental management is the No. 1 consideration’ during these defence exercises? Can the minister outline what measures the government has put in place to ensure that environmental damage does not occur in the Shoalwater Bay training area? What follow-up environmental assessments of the area to assess the impact of the exercises on the environment will the government conduct, including impacts on wildlife? Can the minister confirm and assure the Senate that depleted uranium will not be used in any munitions during this exercise? Has there been any study done of what the effects will be of firing fresh munitions into areas that had previously been bombarded by depleted uranium rounds?

Senator ELLISON—I am aware of the Talisman Sabre 2007 exercise. In relation to the last part of the question that Senator Bartlett asked, no depleted uranium munitions will be used during exercise Talisman Sabre 2007. Environmental precautions are being taken. I think that was addressed at the Senate estimates, if I recall correctly. It is anticipated that US Navy nuclear powered attack submarines are scheduled to participate in the exercise. Precautions are taken by Navy about equipment that is used in relation to aquatic life in the ocean. I will get more detail on that and get back to the Senate, but I can say that Navy is very careful in what it does in any of these exercises.

I understand that an environmental impact assessment was undertaken at key stages by expert consultants in association with Defence’s professional environmental staff and with the participation of officials from Commonwealth and state environmental regulators. I understand the community was invited to provide comments and suggestions, and that is another aspect which dem-
onstrates the care which has been taken by Australian defence forces in carrying out this exercise.

Senator BARTLETT—I thank the minister for his answer. Mr President, I ask a supplementary question. Is the minister aware that on Tuesday a group of seven peace protesters entered into the training zone and that there are reports that a further five have done so today? I inform the minister that I have spoken to some of the organisers of the peace actions outside the Talisman Sabre exercise zone. They have first-hand knowledge that those activists are there, but have told me that Defence currently still believes these claims to be a hoax and are proceeding with their firing regardless. Is the minister aware of any action on the part of Defence or on the part of the Minister for Defence to ensure that the safety of these protesters is not ignored?

Senator ELLISON—There is no concern about a lawful protest but, if people go beyond the law in what is a lawful right to freedom of speech and expose themselves to risk, that makes it all the more difficult for authorities in dealing with that issue. Of course, the safety of people in that circumstance is regarded carefully by Defence, but you have to remember that in any of these protests one expects that the protesters act responsibly. They have a responsibility on themselves as to the way they demonstrate.

Workplace Relations

Senator KIRK (2.54 pm)—My question is to Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Is the minister aware of government funded advertisements promoting collective bargaining for small business? Don’t these advertisements highlight the benefit of small businesses joining together to negotiate, and the efficiency of negotiating with a group rather than individually? Doesn’t the 36-page glossy brochure on collective bargaining for small business state:

... one of the biggest concerns for small businesses is there comparative disadvantage when it comes to negotiating with big business.

Can the minister explain why none of the government’s Work Choices advertising promotes any of the advantages of collective bargaining for working Australians? Why does the government happily promote collective bargaining for small business but refuse to do the same for working Australians?

Senator ABETZ—This is very simple. We as a government promote changes in the law. In relation to small business, there has been a change in the law saying collective bargaining will be allowed. In relation to the employment situation, we are saying that Australian workplace agreements are now being allowed, that this is a change and that you should be aware of the possibilities that those changes provide to you as an individual.

This question has unwittingly debunked the Labor Party’s whole campaign against the government’s communication program because it highlights very clearly and very starkly that we only deal with those issues where the laws are changed and people need to be advised about those changes to the law. That is why, when it was changed for small business—might I add, for their benefit, and they embraced it and liked it—we told them about it. Similarly, on the workplace front, hundreds of thousands of Australians have embraced Australian workplace agreements and the changes, but they would not have been necessarily able to do so had they not been made aware of the wonderful range of choices that are now available to them—a range of choices that has seen the unemployment rate fall to 4.2 per cent and an economy which is now delivering in the terms that our leader in the Senate an-
nounced to us earlier on in relation to decreased taxation. Wages have increased by 20.8 per cent. We do not only deal on the work front; we do not only deal with small businesses; we deal with the whole gamut of the economy. When you get the positioning relatively right, you get the good human dividends that Senator Minchin was able to tell us about earlier in question time.

Senator KIRK—Mr President, I ask a supplementary question. Don’t many working Australians face the same comparative disadvantage as small business when they negotiate their terms and conditions of employment with their employer? Isn’t it hypocritical for the government to promote the benefits of collective bargaining for small business but to ignore the same benefits for working Australians?

Senator ABETZ—The honourable senator has tried to change tack in relation to her supplementary question. I have clearly indicated to her that we have communicated a change in the law. One was for the betterment of small business; the other was for the betterment of individual workers in this country. We are very confident that these sorts of changes need to be communicated to small businesses on the one hand and the Australian working men and women on the other hand. That is why the Labor Party’s campaign against our communications campaign has been undone by Senator Kirk’s question.

Families and Community Services

Senator BOYCE (2.59 pm)—My question is to the Minister for Human Services, Senator Ellison. Would the minister advise the Senate of new initiatives to be implemented from 1 July that will further assist Australian families?

Senator ELLISON—This is a good question from Senator Boyce, and many Australians will be watching out for the benefits that are going to come in on 1 July. Senator Minchin outlined the tax cuts and the superannuation initiatives that the Howard government is delivering to Australians. What this question highlights is the benefits that will be provided to many Australians by way of income support from 1 July.

Opposition senators interjecting—

Senator ELLISON—The opposition might be interested in this, because it touches on a lot of needy Australians who I thought they might have more than a passing interest in. We have allocated $1.8 billion over three years to support principal carers of children who do not currently receive the parenting payment, Newstart allowance or the with-child rate of payment on Newstart. This extends to instances where we see grandparents taking up more and more the responsibility to care for their grandchildren. We have changes to maternity payments—a very important payment for those mothers who are having children. Payments will be made to claimants under the age of 18 in 13 fortnightly instalments of around $317—very important if you are having a child.

Opposition senators interjecting—

Senator ELLISON—We also have Medicare, very important for all Australians, and something I thought the opposition also had some interest in, but obviously not by the look of them today. From 1 July we are rolling out a new online service for customers so that they can assess their status with Medicare. That is a very important thing for those people who are approaching the Medicare safety net—and it is something that Senator Evans should listen to carefully. Needy families in this country do look out for that and they need online access to Medicare to assess their position. That is being rolled out from 1 July—a very good initiative indeed. We also have other initiatives. From 1 July we have additional support for the Murray-Darling
Basin. If you are there and you are experiencing the difficulties that many people are experiencing, this is something which will help make your life a bit better. We are rolling that out with the Farm Help program changes, which will also be implemented from 1 July 2007.

While we are talking about benefits to more Australians and more good news from the Howard government, we do note that from today Australian seniors can lodge claims for increased pension payments. It is expected that around 320,000 age and service pensioners will benefit from 20 September this year, when existing pension recipients receive an automatic increase in payments. As well as that, people who previously have been unable to receive the age pension because of the value of their assets also become eligible. This all has to do with the change in the taper rate and will benefit many Australian age and service pensioners—around 320,000 pensioners will benefit from this. This is more good news from the Howard government, again demonstrating the social dividend that we can deliver to Australians as a result of strong economic management.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Asia-Pacific Economic Cooperation

Senator MINCHIN (South Australia—Minister for Finance and Administration) (3.03 pm)—Senator Nettle asked me a series of questions yesterday with regard to the APEC meeting in Sydney in September. I have been provided with an answer to her question. I seek leave to have media incorporated in Hansard.

Leave granted.

The document read as follows—

APEC Black List

Senator Minchin—On 20 June 2007 (Hansard, page 15 - 16), Senator Nettle asked me, as Minister representing the Prime Minister, a question without notice regarding the involvement Commonwealth agencies such as ASIO and the federal police have in the preparation of a black list of citizens for APEC that bans people from being in most of the CBD of Sydney, whether the government supports the creation of the list, how will somebody know whether they are on the list and whether they have a right of appeal about their placement on the list, whether any Member of Parliament is on the black list, and what role the Australian Defence Forces will have in relation to protesters including whether the military will have a shoot to kill power evoked.

The Prime Minister has provided the following answer to the honourable senator’s question and I seek leave to have it incorporated in Hansard:

I am advised that:

There is no APEC “Black List”.

The Australian Government is providing a whole-of-government approach to the safe conduct of the APEC meetings. NSW Police is responsible for the security of APEC meetings and events held in Sydney.

ASIO is providing security assessments for APEC as part of the APEC Taskforce’s accreditation programme for individuals who require access to specific APEC venues. This process is not intrusive and involves politically motivated violence checks against ASIO databases, similar to those conducted for the aviation and maritime sectors and a string of special events including CHOGM, the 2000 Olympics and the Melbourne Commonwealth Games. ASIO security assessments are appealable in the Administrative Appeals Tribunal. The entry to Australia of overseas visitors for APEC will be subject to normal visa checking processes.

ASIO is also providing security intelligence and protective security advice to police and Commonwealth agencies involved in security for APEC. Intelligence and law enforcement agencies are working together closely to monitor the threat environment.
The Australian Federal Police (AFP) is not involved in the creation of a “black list”; however, the AFP as part of the whole-of-government preparation for APEC continues to monitor information and intelligence in relation to APEC. Should a threat be identified appropriate action will be taken.

Within this overall support, the Department of Defence, under Operation Deluge, will be providing support with a number of specific Task Groups. These include a Security Task Group, who will assist the NSW Police force with vehicle and venue searches, when requested, for the APEC Economic Leaders Meeting in Sydney. Maritime, Special Forces and air assets are also allocated to ensure that appropriate support is provided.

During APEC 2007, the Australian Defence Forces (ADF) will be prepared to provide support to the New South Wales police and government in accordance with its standing arrangements under the National Counter-Terrorism Plan. Under the current national security arrangements, the primacy of the civil authorities is paramount. State and territory authorities have the lead responsibility for responding to security incidents within their relevant jurisdictions. The arrangements for APEC 2007 are consistent with standard practise, and mirror closely the support provided recently to the Melbourne 2006 Commonwealth Games.

The ADF can only be called out to provide aid to the civil authorities in the event an incident overwhelms, or threatens to overwhelm, the capacity of the civil authorities. In the event of such an incident, this aid would be provided under Part IIIAAA of the Defence Act 1903, which was amended by the Government in February 2006 to provide a more flexible and effective basis for responding to terrorist incidents.

There are clear restrictions on the use of the ADF in the event of a security incident:

- the ADF can only be called out as a last resort, when the capacity of the civil authorities is overwhelmed, or threatens to be overwhelmed;
- the ADF cannot be used to restrict lawful protest or industrial action;
- the use of force is always a last resort; and
- at all times the ADF are responsible for their actions and are subject to relevant laws.

The ADF does not have ‘shoot to kill’ powers under Part IIIAAA. The potential use of force—up to and including lethal force—can only be used to protect the life of, or prevent serious injury to, other persons. This is consistent with the Part IIIAAA legislation introduced originally in 2000 to support the Sydney Olympics, and updated in February 2006.

These arrangements ensure the Government is well-prepared to provide assistance should the need arise, in addition to ensuring the protection of the Australian public and visiting dignitaries.

**QUESTIONS WITHOUT NOTICE:**

**TAKE NOTE OF ANSWERS**

**Answers to Questions**

Senator LUDWIG (Queensland) (3.03 pm)—I move:

That the Senate take note of answers given by ministers to questions without notice asked by Opposition senators today.

What we have now heard from Senator Coonan is a backflip of ginormous proportions. But what is more concerning is the complete lack of understanding by Senator Coonan about what the technology is and how it will be utilised. It has been exposed today, because, when you look at the issues, the Howard government has had to catch up with where Labor is on fast broadband.

I was going to consider Senator Coonan and the Liberal coalition government Lud-dites, but that would be in fact too great a statement to make, because it would mean someone who has made a conscious decision to reject technology. What we have is a minister incapable of explaining the technology—that is, WiMAX technology. There are huge question marks about how that OPEL group technology will be utilised and how the network will come together and be utilised by Australians. We have a government that will not be able to deliver the strategy that they are promising, let alone be capable...
of explaining the strategy. The simple argument is that the government have picked a loser. They have picked a standard that is 802.16d, or ‘dead’. Instead, WiMAX, the technology where most people understand the Intel chip set will be going, is 802.16e—a different standard. The government has also bought a frequency out of the spectrum of 5.8 gigahertz. WiMAX is in the lower end—the 3.5 end—of the gigahertz scale. What we have is a Clayton’s WiMAX being proposed—a standard that is not going to deliver into the future. We already have Intel chip manufacturers ramping up to make 802.16e chip sets, where WiMAX is going to be.

The government has not been able to manage spectrum in this instance. Why? Because it has had to rush out a policy to try to catch up to Labor’s policy position. This government has done a cynical backflip. Its arrogance is breathtaking. The losers from the policy of the Liberal and National parties to introduce a two-tiered system of fast broadband will be rural and regional Australia. If you live in the metropolitan cities, you are in luck. The Liberal and National parties will ensure that you will have true broadband, but if you are one of the millions of Australians who live in an outer metropolitan region—guess what?—you will be stuck with this second-rate system.

My office is located halfway between Brisbane and the Gold Coast, in Beenleigh. It is close to Eagleby, Beaudesert and some suburbs of Logan City. If the government is so confident that fast broadband will provide small business innovation to people in this region, tell us today. Put your foot on the sticky paper and make it clear to the Australian people who live in that region that they will get fast broadband, they will be able to maintain thriving businesses based on internet fast speeds and they will be able to compete with metropolitan areas because they will be assured of fast broadband in those areas.

The government has been mean and tricky on exactly how fast the broadband access will be. Senator Coonan started talking about it today. I congratulate her on saying that it will be up to 12 megabits, but then she slipped back into the old routine of saying that it will be 12 megabits. The government has to say what speed people in the outer metropolitan and rural and regional areas of Australia will receive. Will it be 12 megabits, up to 12 megabits or significantly less than that? *(Time expired)*

**Senator NASH** (New South Wales) (3.08 pm)—What an absolute load of rubbish we are hearing from the other side about broadband. It is continuous and it is also hypocritical. The senator from the other side just made the point that rural and regional areas were going to be the losers in this. Nothing could be further from the truth, and the opposition know it. It is interesting to see that Senator Conroy has completely run out of puff on this issue and has not even bothered to stay in the chamber for this debate. If he thinks it is so important, he should have been here—but, oh no, he has run off.

The reason the Labor Party are wrong about this issue is that we are going to deliver fast broadband right around the country. Let us have a little look at what Labor’s plan actually is on rolling out broadband. Interestingly, it is fibre-to-the-node technology, so it will not get out to rural and regional areas. Yet Labor want to steal the $2 billion that is in the Communications Fund for rural and regional communities to have telecommunications services in the bush. That is $130 million every year that Labor want to take away from the country and give to the cities and, as far as I am concerned, that is not on.

We hear a lot of technology talk in this debate, but it goes out into the ether because...
all people really want is a decent service. When we talk about fibre to the node, it is exactly that: fibre to the node. Fibre to the node is not to the home or to anywhere else; it only goes to the node. Once you get to the node, the reasonable service goes for only about a kilometre. I live out in the central west of New South Wales, and the last time I looked there were not too many nodes around and there were an awful lot of people living further than one kilometre from a node. We will now have to call Senator Conroy ‘no nodes Noddy’ because he obviously has no idea what is going on out in the regions.

It is despicable that those who sit on the other side of this chamber tell us that we are going to do a bad job when they have no plan. It has been 91 days, I think, since Labor put out their press release—one press release—on their plan for broadband. What is in it? Not very much. Have they said anything since? No. All they are being is negative about this government’s very good plan for broadband around Australia. They have got nothing. It is reflective of many of their policies that they throw out a glib line, a bit of an idea, and then run on to the next thing. There is no substance to their claims. There is nothing substantive about them. The Labor Party do not back up their claims and comments—and this issue is a perfect example of that. They talk about fibre to the node getting out to 98 per cent of the landmass. That is rubbish, because it will be lucky to get to 75 per cent. Even if it were true, that two per cent of the landmass is an awfully big part of this country. Guess who lives in that area? Rural and regional people. They are not going to get it under Labor’s plan. It would be very helpful if Labor decided to say how they were planning to get broadband out to rural and regional communities—but they have absolutely nothing.

The people with whom I have been talking since we announced this policy to roll out WiMAX into the regions are very happy. They have been saying for some time that they want a better service and that they want their children to be able to access better internet services. We are going to give that to them. Businesses are saying that they want better internet services, and we are going to give that to them. Those children, those businesses and those families—everybody—living in rural and regional communities will get better broadband access. There is no doubt about that. There is no way you can argue against it. We are doing that. The ALP and its leader, Kevin Rudd—who obviously has no idea about broadband in the bush—have nothing. They have no plan, not a thing, nothing. They have no plan, but if they do have one for rural and regional Australia they will not even tell us what it is. Senator Conroy ducks and weaves and rabbits on about goodness knows blah blah blah, but he has not come up with a plan of any substance on what they will do in the regions.

I noticed the other day that Joel Fitzgibbon, a Labor MP, was talking about not being able to get broadband into the Hunter under their plan. I understand, too, that the member for Lingiari said: ...

... in the case of the Northern Territory we would say all the major urban centres would have access to fibre and the remainder of the Northern Territory would have the next best technology, which would provide the best equivalent level of service that we can possibly make available.

The interviewer asked:
Which would have to be wireless, I presume, would it?

Warren Snowdon replied:
Wireless in some form, yes.

(Time expired)

The DEPUTY PRESIDENT—I remind people that, when participating in debates in
this place, they should refer to people in the other place by their correct title and not in a personal way.

Senator KIRK (South Australia) (3.14 pm)—I rise to take note of answers given by Senator Coonan to questions asked of her this afternoon in question time. After having stubbornly denied broadband was a problem for the last two years, in the shadow of an election we see the Prime Minister, Mr Howard, backflipping. Just like its response to climate change, the Howard government’s response to broadband is simply too little, too late. The Prime Minister has to answer a simple question: why does the Prime Minister believe that it is okay for the city to have access to fibre broadband whilst at the same time it makes rural and regional Australia make do with a patchwork of lesser technologies? That is the fundamental question that the Prime Minister needs to answer.

If the wireless technologies the government is fobbing off onto rural and regional Australia are as good as fibre, Mr Howard should commit to using these technologies exclusively in his own office. Australians deserve better than the two-tier broadband system that is being promoted by this government. We in the ALP believe that rural and regional Australia deserves access to the same infrastructure as that which is provided in the city.

In taking note of answers, Senator Ludwig was talking earlier about the nature of the WiMAX technology, and I want to refer in my remarks here today to some of the information that has emerged in relation to that technology. We know that the Howard government have said that, in order to reach what they claim to be 99 per cent of Australians with their $900 million, they will rely on wireless broadband technology—either 3G or WiMAX. But we heard today that even the minister admitted that existing wireless technology simply will not be able to deliver 12 megabits of broadband speed. Wireless broadband, including satellite, WiMAX and 3G, suffers from a range of technical problems, such as performance declining with distance, bad weather, hilly geography and the number of people using the service at any one time—that is, congestion.

The cost-effectiveness of WiMAX against fixed-line broadband is also questionable. A recent OECD report, The implications of WiMAX for competition and regulation, found a number of things in relation to this technology. I will just mention a few of these in the time that I have available. The report found:

Despite all the excitement over WiMAX, the ultimate role of WiMAX in the wireless market is debatable.

It also found that many predictions and comments about WiMAX in the press may be overly optimistic and tend to rely on theoretical maximums rather than what users may typically be able to expect. So even the OECD has significant concerns about the effectiveness of this technology.

How is Labor’s position different from that being proposed by the government? Labor’s plan for a national broadband network is a long-term investment in the nation’s future. What the Prime Minister is proposing is simply an election year bandaid. The government intends to create two classes of broadband service in Australia: one for the five mainland capital cities and another for the rest of the nation. As I said, Australians in metropolitan areas will get access to a world-class fibre-to-the-node network, while the rest of the country will have to make do with an as yet unspecified mix of technologies.

In contrast, our plan for a fibre-to-the-node national broadband network delivers true broadband speeds to 98 per cent of Aus-
Australian homes and businesses. This is a truly national plan that will bring world-class infrastructure to almost all Australians. If the wireless technologies that the government is fobbing off onto rural and regional Australians are as good as fibre, the Prime Minister should, as I said, put his money where his mouth is and use these technologies exclusively in his own office. When the Prime Minister commits to that then perhaps we might believe that he really does believe that the quality of this technology is good enough to be thrust upon rural and regional Australia.

Senator BARNETT (Tasmania) (3.19 pm)—I stand to take note of the answers to the questions given by ministers on this side of the chamber, specifically, Senator Helen Coonan, Minister for Communications, Information Technology and the Arts. I want to follow through and support the comments of my fellow senator, Senator Nash. I will start where she concluded. She quoted Warren Snowdon, the member for Lingiari, who conceded, in an interview with Territory FM only yesterday, that, yes, they would have to use wireless to access rural and regional parts of the Northern Territory. That makes it very clear that there has been a concession by Labor MPs that wireless is to be used.

Under the Labor plan—which, as was indicated by Minister Coonan earlier today, is really a media release of some 90 days ago—they will reach only 75 per cent of the Australian population. They realise, in the statements made in the media release, that under their proposal they will simply do two things. Firstly, they will rob the communications fund of $2 billion.

Senator Parry—Shameful!

Senator BARNETT—That is right, Senator Parry; it is shameful that they are going to do that. Secondly, they have no solution to getting this communication regime to rural and regional Australia. Under our plan we have a $1.8 billion state-of-the-art independent network that will extend the high-speed broadband to 99 per cent of the population by 2009. Sadly, in accordance with the statements issued in their media release of about 90 days ago, Labor’s plan will simply get to 75 per cent of the population, at best.

Those are the first points I want to make up front, but I want to refer to the allegations made by Labor about Telstra. They referred to the Telstra sacking of employees in Launceston. This is an issue and a concern that Michael Ferguson, the federal member for Bass, has taken up. He has received the strong support of the Tasmanian Liberal Senate team. In fact, Michael discussed it with the Senate team just last week. We had a special meeting to talk about these particular matters. We oppose this decision by Telstra. We are dreadfully disappointed and upset. We think it is a bad decision that Telstra has made, and those views have been expressed to Telstra.

They on the other side say it is because Telstra has been privatised. Telstra was corporatised under Labor. It was the former Labor government that said, ‘Let us corporatis Telstra so that it can be independent and there will be no political interference.’ That is the way it should be. Telstra has acted and operated in that way since. This is a decision by Telstra and it is a decision that we oppose.

Michael Ferguson, the federal member for Bass, has taken this on board. He cares for the 257 Tasmanians that are at risk of losing their employment, and he has taken it up with Telstra. He wrote to the Chief Executive Officer of Telstra to tell him that he was wrong and had made a bad decision and he asked him to reconsider. He did this rather than politicise the issue, as did federal Labor senators and state Labor MPs in Launceston, for pure political gain. He made representa-
tions to Telstra. He made representations to the state Premier to ask him to be part of a working group to work cooperatively—federal and state—to try to help the employees in Launceston. The state Labor Premier said no, no doubt prompted by federal Labor senators.

Nevertheless, the local business community has said that it will get on board. The local mayor, Ivan Dean MLC, said that he would come on board. They have had some meetings, and I understand that there is a further meeting tomorrow, where they will discuss the options and work out exactly what they can do to assist and support those working men and women in Launceston and their families.

The Labor Party would prefer to get involved in political shenanigans, but Michael Ferguson, the federal member for Bass, has taken a positive approach, and I believe there is hope for the future. With Michael’s support and the Liberal senators’ support, we can make a difference for those people. (Time expired)

Senator MARK BISHOP (Western Australia) (3.24 pm)—I rise to take note of answers to various questions to Senator Coonan on the issue of broadband technology. As a senator from Western Australia, I need to place on the record at the outset my concerns over the current government’s plans for what has been described as a new, high-speed broadband network. As well as delivering a second-rate service to rural Australia, it will provide an inferior service to the booming suburbs on the fringes of the city of Perth. Why do I say that? Because this government intends to deliver only wireless broadband to these new, growing, developing suburbs. Wireless broadband is slower than and inferior to the high-tech, fibre-to-the-node service that the Australian Labor Party will offer in due course. The government’s broadband network is earmarked only for cities.

After having stubbornly denied for the last two years that broadband was a problem, the Prime Minister, Mr Howard, has back-flipped with his $900 million deal. He is fobbing off rural and regional Australia—which covers vast tracts of Western Australia, including suburban Perth—with this old-fashioned, dated, slower wireless technology. If this wireless technology which the government is fobbing off on rural and regional Australia is as good as fibre then, as Senator Kirk said, the Prime Minister should be up front and commit to using these technologies exclusively in his own office and indeed in this parliament. Why does the Prime Minister believe that it is okay for the city to have access to fibre broadband, whilst making rural and regional Australia make do with a patchwork quilt of dated, lesser and older technologies? Western Australians—the people whom I represent—not only deserve better; they need better and they want better so they can actively participate in a growing, vibrant economy.

Labor’s plan for a national broadband network is a long-term investment in our nation’s future. We have promised—and we continue to promise—fibre-to-the-node broadband for 98 per cent of Australians. It is the only truly national plan that is going to bring world-class infrastructure to almost all Australians. This broadband issue shows that, whilst the Prime Minister has his sights set solely on the next election, Labor have a great vision for Australia.

The Prime Minister’s measures are band-aids in the lead-up to the next election. Even his communications minister, Senator Coonan, could not explain and sell the idea this week. That is because she is unaware of the consequences and the fine print of her own deal, as are most Australians. Senator
Coonan wrongly said the government would deliver broadband to all Australians at the same speed—12 megabits per second. Even God could not deliver 12 megabits by satellite! In reality, wireless simply cannot deliver those broadband speeds. As Senator Kirk outlined, it also suffers from a range of technical problems which have not yet been solved. It is affected by bad weather, hilly geography and congestion on the lines. None of these problems, for which we have not got solutions, were mentioned in any way by Senator Coonan. This is because it is a government that has run out of ideas. The best it can do is to try and copy, run behind and follow on Labor’s ideas for a national broadband system.

The Australian people want guidance and leadership from their politicians, not simple, back-of-the-envelope calculations that seek to copy what has already been announced by a major political party. That is why Labor led the charge on broadband with its own policy. Labor believes it makes more sense to extend the reach of a national fibre-to-the-node network rather than subsidise old, dated, technologies that will not deliver the speed that is required. This will provide the best service for all Australians. *(Time expired)*

Question agreed to.

**COMMITTEES**

**Reports: Government Responses**

Senator MINCHIN (South Australia—Leader of the Government in the Senate) *(3.29 pm)*—I present three government responses to committee reports as listed on today’s *Order of Business*. In accordance with the usual practice, I seek leave to incorporate the documents in *Hansard*.

Leave granted.

The documents read as follows—

### Senate Economics Committee Inquiry into the Price of Petrol in Australia

**Recommendations and Government responses**

<table>
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<th>Government response</th>
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<tr>
<td>Recommendation 1&lt;br&gt;The Australian Competition and Consumer Commission (ACCC) should review the information on its website and in other publications to ensure this material provides simple, straightforward and concise information, including what individuals can do to reduce personal fuel consumption.</td>
<td>The Government agrees with this recommendation. The ACCC is currently undertaking a review of the structure, content and design of its whole website to ensure that the information provided continues to be relevant, useful and informative to consumers. The review is scheduled to be completed by June 2007 and will include reviewing the information on petrol price cycles and other petrol-related issues which are currently included on the ACCC website.</td>
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<tr>
<td>Recommendation 2&lt;br&gt;The ACCC should conduct spot checks and reporting on a wider range of locations across Australia to provide confidence to a wider range of consumers, particularly people in regional, rural and remote locations.</td>
<td>The ACCC currently monitors petrol, diesel and automotive LPG prices in the five largest metropolitan cities (ie, Sydney, Melbourne, Brisbane, Adelaide and Perth). The ACCC also monitors these prices in Canberra, Hobart and Darwin, and around 110 country towns across Australia and conducts various spot checks on these prices. The ACCC will review the information it provides on its monitoring of country prices as part of its broader review of the information it provides on its website, as outlined above. This recommendation is a matter for State and Territory governments to consider. In 1999, Australian Government, State and Territory leaders signed an <em>Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations</em> which provides that</td>
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**CHAMBER**
Recommendation  Government response
small number of retailers. all goods and services tax (GST) revenue is paid to the States and Territories (the States). Following the introduction of the GST, the excise rate applied to petrol was reduced to compensate for the additional tax that would be imposed under the GST. All GST is returned to the States to spend according to their own budget priorities, and this includes the collections of GST revenue from fuel. The GST revenue is spent according to the States’ own priorities such as health and education, and this includes the option to provide for the subsidisation of fuel.

Government Response to the Senate Standing Committee on Employment, Workplace Relations and Education
“Perspectives on the future of the harvest labour force”
Department of Employment and Workplace Relations
Theme One – Improved Labour Market Information
The Report noted the absence of empirical data to support claims of a labour shortage in the horticultural sector.

Government Response
The Australian Government will continue to monitor seasonal labour demand and supply issues in the horticulture industry, particularly through the Harvest Labour Service and the National Harvest Labour Information Service (NHLIS).
The Australian Government, through the Department of Employment and Workplace Relations (DEWR), will continue to closely monitor labour market trends in the horticulture industry, through consultation with key stakeholders (including State and Territory Government Departments, employers and industry bodies) to identify and address the industry’s skill and labour needs.

Theme Two – Practicalities of a Seasonal Contract Labour Scheme
The Report noted that prudence requires the Australian Government to make contingency plans for introducing contract harvest labour in as early as five years.

Government Response
The Australian Government will continue to review temporary and permanent migration arrangements to ensure they reflect the genuine skill needs of Australian industry and do not represent an impost on the Australian economy. In the case of employer-sponsored migration arrangements, the Australian Government will continue to ensure these arrangements: comply with Australia’s international commitments (including those relating to the movement of natural persons under General Agreement on Trades in Services); do not result in the displacement of Australian nationals; and complement domestic recruitment and training initiatives.

Theme Three – Harvest Labour Initiatives (Supplementary Comment)
The Harvest Labour Trail should be reviewed with a view to expanding the range of services available and streamlining the process of referrals.

Government Response
DEWR will continue to work closely with the NHLIS to monitor harvest labour supply and demand issues to look for solutions to the mobilisation of ‘out of area’ workers to harvest regions. DEWR will investigate the possibility of expanding the NHLIS’s role to examine areas where labour shortages regularly occur. The NHLIS will be responsible for liaising directly with grower and grower groups to raise their awareness of HLS providers, the NHLIS and the Harvest Trail website, and assist them in planning and satisfying their future harvest labour needs.
Government Response to the Joint Standing Committee on Foreign Affairs, Defence and Trade Report
Department of Defence
June 2007

Recommendation 1
The Committee recommends that the Defence Materiel Organisation provide annual updates on the top ten high risk projects of the year using the Maturity Score methodology, noting that commercial-in-confidence imperatives will apply.

Government response: Agreed
The Defence Materiel Organisation will provide annual updates to the Committee.

Recommendation 2
The Committee recommends that they be provided with an update on the progress of the development of options for the optimum fleet mix to meet the ADF’s future airlift requirements.

Government response: Agreed
Options for the enhancement of ADF airlift capabilities are still under review. It is expected that First Pass consideration for relevant phases of the relevant projects — AIR 8000 and AIR 9000 — will occur in mid-2007.

Recommendation 3
The Committee recommends that an invitation be extended to Defence sub-committee members to observe and/or participate in a security contingency wargaming activity between Defence and relevant government agencies.

Government response: Agreed
Border Protection Command runs a range of exercises with various state, territory and Commonwealth agencies. These are working group level meetings and are particularly focused on developing basic procedures on which Border Protection Command operates.

The Committee is welcome to consider observing these exercises and associated activities.

Recommendation 4
The Committee recommends that Navy report on the utility and effectiveness of the multi-crewing concept once a full Division of Armidale-class patrol boats (for crew rotation purposes) has been delivered.

Government response: Agreed
The multi-crewing program is currently in its initial stages with the first division of multi-crewed Armidale-class patrol boats commencing in mid-August 2006. As further divisions are put into operation, the Navy will be better placed to provide an interim report on the utility and effectiveness of multi-crewing by mid-2007. Initial anecdotal reports are encouraging.

Recommendation 5
The Committee recommends that Defence advise the course of action taken in relation to establishing the general inventory ‘best estimate’ and the results of the assessment/ review.

Government response: Agreed
This recommendation relates to the valuation of General Stores Inventory in the Financial Statements. The Inventory items include consumable items, items held for allocation to military personnel and/or units (such as rations packs and boots), and minor generic parts (used to repair items). There are approximately 600,000 stock items in this category. In preparing the 2005-06 financial statements, general stores inventory items were valued on a weighted average costs basis. Where the weighted average cost was not available, Defence endeavoured to use ‘best estimates’ to value these items. Best estimates were based on expert review of comparable items in international military catalogues.

During 2005-06, Defence carried out significant remediation work to address the issues of uncertain quantities, system limitations within Standard Defence Supply System (SDSS) and other business process issues. As a result, some uncertainty exists around the reported balance of general stores inventory as at 30 June 2006.

The use of external valuers will form part of the approach to address legacy general stores inventory pricing issues in developing 2006-07 financial statements.
presented to the Australian Accounting Standards Board for consideration.

**Government response: Agreed**

As part of the 2005-06 Financial Statement process, Defence has raised a number of ‘highly technical issues’ with the Australian Accounting Standards Board. These include:

- **The concept of an asset for not-for profit entities** – the current framework for the preparation and presentation of financial statements, prescribes that an asset is recognised when it is probable that the future economic benefits will flow to the entity and the asset has cost or value that can be measured reliably. The concept of future economic benefit is relevant for ‘profit’ entities and not for ‘not-for-profit’ entities such as the public sector. Defence is seeking the replacement of this concept with a concept of service potential/utility;

- **Inventory valuation** – Defence is seeking an interpretation on the valuation of inventory written down to current replacement cost only when (and to the extent that) there has been a decrease in the service potential of inventory since its acquisition;

- **Assessment of assets for impairment** – Defence is clarifying whether it is appropriate to adopt the concept of ‘service or utility-generating units’ for determining the level at which assets should be assessed and tested for impairment;

- **Treatment of restoration obligations arising from contamination or damage of assets** – Defence is clarifying that when contamination or damage occurs through the use of an asset as part of Defence’s ongoing operating activities, the restoration obligation, if any, is also treated as the cost of those operating activities without being capitalised; and

- **Extension of unlimited useful lives for assets other than land** – Defence is clarifying whether unlimited useful lives could be extended to assets other than land, such as military heritage assets, which are irreplaceable and are managed to ensure that they are maintained indefinitely.

The Australian Accounting Standards Board has acknowledged that these issues warrant further discussion and also stated that any amendments to standards and authoritative interpretations must go through a formal process and, therefore, may take quite some time.

Defence is working with the Department of Finance and Administration and the Australian National Audit Office to further progress technical issues with the Board, in particular, the application of the inventory accounting standard.

**Recommendation 7**

The Committee recommends that Defence report on the progress of implementation of the ADF Recruiting Strategic Plan 2005-2010, specifically in relation to the conversion ratio of inquiries, to applications, to enlistments and the review of entry requirements.

**Government response: Agreed**

Defence supports the need for greater transparency and oversight of ADF retention and recruitment, and will provide in the Defence Annual Report a progress report on the implementation of the ADF Recruiting Strategic Plan 2005-2010. Reporting will also include progress in the implementation of the Retention and Recruitment Implementation Strategy, Defence Force Recruiting (DFR) Plan 2006-07, in-year ADF recruiting achievements and development of the new DFR organisation.

**Recommendation 8**

The Committee recommends that Defence and the Department of Veterans’ Affairs examine, and then report to the Committee, options to better identify affected F-111 deseal/reseal personnel.

**Government response: Not agreed**

The Department of Veterans’ Affairs is responsible for processing claims for the lump sum benefit, including the determination of eligibility. Defence continues to provide technical assistance to the Department of Veterans’ Affairs in accessing and interpreting Air Force records including individual service and personnel records, medical records, trade progress sheets, records of training and employment, pay records, photographs, and statements to the F-111 Deseal/Reseal Board of Inquiry.
Economics Committee
Report: Government Response

Senator SHERRY (Tasmania) (3.30 pm)—by leave—I move:
That the Senate take note of the document.

I want to make some brief comments about the government’s response to the Senate Economics Committee’s report on petrol prices. This is a big issue which I think demands a substantive debate, but we are all aware of the time and the constraints under which we are operating. By way of initial comment, this is a very tricky response from the government. It is something we have become very used to. A few months out from an election the government has to be seen to be doing something—anything—on this very important issue in the community of petrol prices. This is a very tardy government response at best. In respect of the specific recommendations, I will start with recommendation 1. Whilst it is pleasing to see that the ACCC will review its website on petrol pricing, which is of some use to consumers to gain up-to-date information on petrol prices, frankly I am a touch sceptical about the number of people who are going to say, ‘Oh, before I go to purchase petrol at the local petrol station I’d better check on the website.’ Some would, I accept that, but most would not. We have to be a bit realistic about just how effective this recommendation would be for the vast majority of Australians.

As I said, this is one of the tricky sorts of responses that you get from a government that are tired and weary. They have been in government for more than 11 years. All of a sudden they discover that they have a political problem with petrol prices. Well, whoop-de-doo—let’s have a website updated by the ACCC that people can go to. I do not think that is going to put a great deal of downward pressure on petrol prices for the long-suffering consumers in this country.

Going to the second part of recommendation 1, the ACCC already undertakes informal price monitoring. Formal price monitoring, which is Labor’s policy approach, would be much more useful. It was the Labor senators who recommended formal price monitoring in the minority report, as distinct from the weak and wimpy position of the Liberal government senators of informal monitoring. Spot checks on a wider range of sites as the recommendation suggests will be of some benefit, but I think it will be of relatively minor benefit. The government’s response on recommendation 2 went to the responsibilities of state and territory governments. But, at the end of the day, this is a federal government responsibility. As in so many areas, we have seen the federal Liberal government—which is old, tired, out of puff and out of ideas—totally abrogate its responsibilities until the last few weeks. All of a sudden the Prime Minister, Mr Howard, and the Treasurer, Mr Costello, have discovered how important this issue is politically. They have cobbled together some answers in a very tricky solution—as we are so used to seeing when a few months out from an election.

There is no doubt that petrol prices are a big issue for Australian families. There have been substantial increases in prices this year and in recent years. There have been very significant oscillations up and down. It is quite right that motorists are demanding answers and that there is a growing level of frustration in the community. The parliament must do everything it can to ensure that Australian motorists are not paying one cent more for petrol than is necessary. Motorists are entitled to a fair go. Claims have been made that oil companies may not be passing on the benefits of lower prices to consumers quickly enough. There are also regular claims that oil companies are quick to increase prices in line with rises in global oil prices but slow to reduce them when those
prices fall. Motorists are legitimately asking: why the price variation from place to place? Why are there price cycles? Why is petrol more expensive on long weekends? I do not think anyone would be surprised to learn that petrol prices go up on long weekends. Many motorists travel with their families on long weekends. Could it be that that is why petrol prices go up on long weekend? The Australian public is quite rightly concerned about these claims. Petrol prices have nudged $1.50 a litre in many areas in recent weeks. I must say that in my home state of Tasmania they have nudged $1.50 a litre on a number of occasions over the last few years. In regional Australia this issue has a much greater impact than it does in the capital cities. In regional areas petrol prices are higher. You do not hear much from the National Party on this issue. They have long given up on fighting for regional Australia and rolled over. You do not hear a word from them on petrol prices anymore. Generally you do not hear a word from the National Party on very much at all. On this particular issue, which goes to the heart and soul of rural and regional Australia, we have heard nothing.

Labor have released a plan for a petrol commissioner and changes to the ACCC powers. Labor have a clear policy plan in relation to petrol. We will be providing the resources and the powers to the competition watchdog, the ACCC, to ensure motorists are getting a fair go. We will be establishing a petrol commissioner with a dedicated role within the ACCC. That commissioner will have the sole responsibility for formally monitoring and investigating price gouging and collusion. The power to formally monitor prices means that the petrol commissioner will have the power to access documents from oil companies to look behind the price of petrol by examining prices, costs and profit margins. Currently the ACCC can only formally monitor prices when directed by the Treasurer. Look what has happened. After 11 years as Treasurer, last week he finally decided to act—as I say, a few months out from an election. The Treasurer has not provided any direction on petrol pricing in 11 years—not until the last two weeks, a few months out from an election. The ACCC has only undertaken informal price monitoring. Last week, after years and years—the government has been in power for 11 long years—the Treasurer finally decided to act, to do something. He has given a reference to the ACCC to investigate petrol prices in the run-up to the election. This is just a one-off inquiry. It will not apply the constant pressure that the Labor policy solution would provide on this very important issue.

Federal Labor have repeatedly called for the Treasurer, Mr Costello, to stand up for Australian motorists by permanently letting the ACCC off the leash to investigate petrol prices. For years the government has repeatedly denied that the ACCC needed additional and permanent powers to investigate petrol prices. There is also Labor’s announced plan for independent fuel retailers. We have consistently called on the government to introduce amendments to strengthen the misuse of market power provision, which is section 46 of the Trade Practices Act, and the unconscionable conduct provision, section 51AC of the act. To be fair to Senator Boswell of the National Party, he has made occasional utterances on this issue. Labor are reasonable when we see a member of the government taking up an issue, and Senator Boswell has raised the issue. But what impact have he and the weak and wimpy National Party had on Mr Costello and the government? Nothing, absolutely nothing. They were just put back under the doormat again—the old National Party. It is an issue on which you would expect the National Party to be standing up for rural and regional Australia, but there has barely been a word over the last
couple of years. Where is Senator Boswell on this issue? I was going to say, ‘Where is Senator McGauran?’ but he gave up and joined the Liberal Party long ago. It is a fundamental issue—petrol prices in rural and regional Australia—and the National Party has given up.

Labor have called on the government to introduce criminal penalties for serious cartel conduct. We got this response today and, as I said, it was given at the very last minute and it was tricky. We are a couple of months out from an election and we get this weak and wimpy response. Treasurer Costello and the government have done nothing on petrol prices for 11 long years and now, a few months out from the election, they decide to act. Compare this weak and wimpy policy response with what Labor have outlined. Our policy is a much tougher and more decisive approach. That is what Australian motorists want. They want answers and they want action to ensure they get a fair go on petrol prices in this country.

**Senator MURRAY** (Western Australia) (3.39 pm)—The petrol inquiry was an extremely interesting one, but the conclusion of its report irritates me a great deal. My very brief minority report reflects that irritation. However, I do not want to get caught up in the past. I prefer to concentrate on the issues. The issues at hand fall into two categories. One is whether the general punishment powers of the ACCC—in other words, the penalties—are sufficient with respect to breaches of the Trade Practices Act. The second issue is whether the investigatory powers of the ACCC are sufficient for the task.

I am one of those who support a much stronger Trade Practices Act. I think it is weak and that is reflected in its inabilities. With respect to investigation, I have three main concerns. The first is that there are insufficient powers for the ACCC, on its own motion, to pursue these matters. The second—and it is linked—is that effectively it was waiting for political guidance, namely, the Treasurer had to initiate an ACCC investigation. He has done that recently, but in my view it deserved to be done long before this. Waiting for a political response is, I think, the wrong way to go for what should be an independent regulator, although of course I would never take away from the Treasurer the right or power to instruct a regulator to examine a particular area. The third area is whether the trade practices commissioner has sufficient powers to get behind the corporate veil to establish exactly what is going on in such matters. That is still an area of considerable concern.

Consequently, I am interested in the Labor Party’s propositions, but I want to see how they will be fleshed out. There is absolutely no reason why the Labor Party could not develop them and present them as amendments to the trade practices bill—I think it is the Trade Practices Legislation Amendment Bill (No. 1) 2007—when it comes forward from the government. Let us debate those issues here and now. We do not have to wait until after the election for the policy measures proposed by the Labor Party to be introduced. I would be interested in examining them further. I must say that I need to be persuaded that there needs to be a petrol commissioner, but I would be very interested in powers and penalties. I would be particularly interested in the ability of the ACCC to investigate on their own motion to get behind the corporate veil and to ensure that the penalties are appropriate where collusion or wrongful anticompetitive conduct has occurred.

With respect to the government’s response to the recommendations, I do not see much else that the government could have said. There were only two recommendations and they were extremely limited ones. The gov-
ernment’s limited response reflects the nature of what were fairly ordinary recommendations that did not go to the issues of investigation or penalties. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Reports: Government Responses

The DEPUTY PRESIDENT—On behalf of the President, and in accordance with the usual practice, I table a report on parliamentary committee reports to which the government has not responded within the prescribed period. The report has been circulated to honourable senators. With the concurrence of the Senate, the report will be incorporated in Hansard.

The document read as follows—

PRESIDENT’S REPORT TO THE SENATE ON GOVERNMENT RESPONSES OUTSTANDING TO PARLIAMENTARY COMMITTEE REPORTS AS AT 21 JUNE 2007

PREFACE

This document continues the practice of presenting to the Senate twice each year a list of government responses to Senate and joint committee reports as well as responses which remain outstanding.

The practice of presenting this list to the Senate is in accordance with the resolution of the Senate of 14 March 1973 and the undertaking by successive governments to respond to parliamentary committee reports in timely fashion. On 26 May 1978 the then Minister for Administrative Services (Senator Withers) informed the Senate that within six months of the tabling of a committee report, the responsible minister would make a statement in the Parliament outlining the action the government proposed to take in relation to the report. The period for responses was reduced from six months to three months in 1983 by the then incoming government. The then Leader of the Government in the Senate announced this change on 24 August 1983. The method of response continued to be by way of statement. Subsequently, on 16 October 1991 the then government advised that responses to committee reports would be made by letter to a committee chair, with the letter being tabled in the Senate at the earliest opportunity. The current government in June 1996 affirmed its commitment to respond to relevant parliamentary committee reports within three months of their presentation.

This list does not usually include reports of the Parliamentary Standing Committee on Public Works or the following Senate Standing Committees: Appropriations and Staffing, Selection of Bills, Privileges, Procedure, Publications, Regulations and Ordinances, Senators’ Interests and Scrutiny of Bills. However, such reports will be included if they require a response. Government responses to reports of the Public Works Committee are normally reflected in motions in the House of Representatives for the approval of works after the relevant report has been presented and considered.

Reports of the Joint Committee of Public Accounts and Audit (JCPAA) primarily make administrative recommendations but may make policy recommendations. A government response is required in respect of such policy recommendations made by the committee. However, responses to administrative recommendations are made in the form of an executive minute provided to, and subsequently tabled by, the committee. Agencies responding to administrative recommendations are required to provide an executive minute within 6 months of the tabling of a report. The committee monitors the provision of such responses.

An entry on this list for a report of the JCPAA containing only administrative recommendations is annotated to indicate that the response is to be provided in the form of an executive minute. Consequently, any other government response is not required. However, any reports containing policy recommendations are included in this report as requiring a government response.

Committees report on bills and the provisions of bills. Only those reports in this category that make recommendations which cannot readily be addressed during the consideration of the bill, and therefore require a response, are listed. The list also does not include reports by committees on estimates or scrutiny of annual reports, unless
recommendations are made that require a response. A guide to the legend used in the ‘Date response presented/made to the Senate’ column

* See document tabled in the Senate on 21 June 2007, entitled Government Responses to Parliamentary Committee Reports—Response to the schedule tabled by the President of the Senate on 7 December 2006, for Government interim/final response.

** Report contains administrative recommendations—any response to those recommendations is to be provided direct to the JCPAA committee in the form of an executive minute.

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<tr>
<td>Corporate responsibility: Managing risk and creating value</td>
<td>21.6.06</td>
<td>*(interim)</td>
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<td>Statutory oversight of the Australian Securities and Investments Commission</td>
<td>16.8.06</td>
<td>*(interim)</td>
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<td>26.2.07 (presented 23.2.07)</td>
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<td>Statutory oversight of the Australian Securities and Investments Commission</td>
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| **Legal and Constitutional Affairs Standing**  
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*(interim)  
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Negotiating the maze – Review of arrangements for overseas skills recognition, upgrading and licensing | 6.12.05  
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Report  
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Norfolk Island electoral matters  
Antarctica: Australia’s pristine frontier—Report on the adequacy of funding for Australia’s Antarctic Program  
Norfolk Island financial sustainability: The challenge – sink or swim?  
Current and future governance arrangements for the Indian Ocean territories  
Review of the Griffin Legacy Amendments | 31.3.04  
26.8.02  
23.6.05  
1.12.05  
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22.3.07 | *(interim)  
*(interim)  
1.3.07  
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14.6.07  
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<td>Biosecurity Australia’s import risk analysis for pig meat</td>
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<td>Administration of Biosecurity Australia – Revised draft import risk analysis for bananas from the Philippines</td>
<td>17.3.05</td>
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<td>Administration of Biosecurity Australia – Revised draft import risk analysis for apples from New Zealand</td>
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<td>The administration by the Department of Agriculture, Fisheries and Forestry of the citrus canker outbreak</td>
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AUDITOR-GENERAL’S REPORTS

Report No. 47 of 2006-07

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 47 of 2006-07: Performance Audit: Coordination of Australian government assistance to Solomon Islands: Department of Foreign Affairs and Trade and the Australian Agency for International Development.

DOCUMENTS

Table

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (3.45 pm)—I table the following documents relating to travel:
Parliamentarians’ travel paid by the Department of Finance and Administration for the period July to December 2006
Former parliamentarians’ travel paid by the Department of Finance and Administration for the period July to December 2006
Parliamentarians’ overseas study travel reports for the period July to December 2006
Expenditure on travel by former Governors-General paid by the Department of the Prime Minister and Cabinet for the period 1 July to 31 December 2006
Schedule of special purpose flights for the period July to December 2006

COMMITTEES

Reports: Government Responses

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (3.45 pm)—I present the government’s response to the President’s report of 7 December 2006 on outstanding government responses to parliametary committee reports, and seek leave to incorporate the document in Hansard.
Leave granted.

The document read as follows—

RESPONSE TO THE SCHEDULE TABLED BY THE PRESIDENT OF THE SENATE ON 7 DECEMBER 2006
Circulated by the Leader of the Government in the Senate
Senator the Hon Nick Minchin
June 2007

A CERTAIN MARITIME INCIDENT (Select)
A Certain Maritime Incident
The government response may be considered in due course.

ADMINISTRATION OF INDIGENOUS AFFAIRS (Select)

After ATSIC—Life in the mainstream?
The government response is being considered and will be tabled in due course.

ASIO, ASIS AND DSD (Joint, Statutory)

Review of the listing of six terrorist organisations
The government response is being considered and will be tabled in due course.

Review of the listing of four terrorist organisations
The government response is being considered and will be tabled in due course.

AUSTRALIAN CRIME COMMISSION (Joint, Statutory)

Supplementary report to the inquiry into the trafficking of women for sexual servitude
The government response is being considered and will be tabled in due course.

Review of the Australian Crime Commission Act 2002
The government response is being considered and will be tabled in due course.

EXAMINATION OF THE ANNUAL REPORT FOR 2004-2005 OF THE AUSTRALIAN CRIME COMMISSION
The government response is being considered and will be tabled in due course.

COMMUNITY AFFAIRS LEGISLATION

Tobacco advertising prohibition
The Department of Health and Ageing is finalising a formal response to the issues raised in the
The response will be tabled once the Department has received responses from other Government agencies included in the report.

**Therapeutic Goods Amendment (Repeal of Ministerial responsibility for approval of RU486) Bill 2005**

Input across agencies is being updated for inclusion in the response.

**COMMUNITY AFFAIRS REFERENCES**

- **Quality and equity in aged care**
  The government response is being considered and will be tabled in due course.

- **Workplace exposure to toxic dust**
  The government response is being considered and will be tabled in due course.

- **Beyond petrol sniffing: renewing hope for Indigenous communities**
  The government response is being considered and will be tabled in due course.

**COMMUNITY AFFAIRS STANDING**

- **Breaking the silence: a national voice for gynaecological cancers**
  The government response was tabled in the Senate on 27 February 2007.

**CORPORATIONS AND SECURITIES (Joint Statutory)**

- **Report on aspects of the regulation of proprietary companies**
  The government is currently consulting on a substantial number of initiatives to simplify corporate regulation. It is expected that some of these initiatives will impact on the regulation of proprietary companies. A response to the report will therefore be provided in due course.

**CORPORATIONS AND FINANCIAL SERVICES (Joint Statutory)**

- **Report on the regulations and ASIC policy statements made under the Financial Services Reform Act 2001**
  The government is currently reviewing and consulting on a substantial number of initiatives to refine the regulation of financial services which take into account the recommendations made in this report. A response which takes into account the refinements will therefore be provided in due course.

**Review of the Managed Investments Act 1998**

The government response is being considered and will be tabled in due course.

**Inquiry into Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No. 3), Statutory Rules 2003 No. 85**

The government is currently reviewing and consulting on a substantial number of initiatives to refine the regulation of financial services which take into account the recommendations made in this report. A response which takes into account the refinements will therefore be provided in due course.

**Money matters in the bush: Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia**

The response is being updated to reflect recent developments and will be tabled in due course.

**Report on the ATM fee structure**

The response is being updated to reflect recent developments and will be tabled in conjunction with that for ‘Money Matters in the Bush’ (see above).

**Corporations Amendment Regulations 2003 (Batch 6); Draft Regulations: Corporations Amendment Regulations 2003/04 (Batch 7); and Draft Regulations: Corporations amendment Regulations 2004 (Batch 8)**

The government is currently reviewing and consulting on a substantial number of initiatives to refine the regulation of financial services which take into account the recommendations made in this report. A response which takes into account the refinements will therefore be provided in due course.

**Corporations Amendment Regulations 7.1.29A, 7.1.35A and 7.1.40(h)**

The government continues to respond to this report through changes to the Corporations Regulations and ongoing proposals to make further refinements to the regulation of financial services based on public comment. A response to this report will be tabled in due course.
Property investment—Safe as houses?
A response is being prepared. However, before finalising this response, the Government considers it is important to incorporate any findings of the Ministerial Council on Consumer Affairs working party that is examining whether property investment advice warrants further regulation. The working party is currently finalising its position.

Timeshare: The price of leisure
The government response is being considered and will be tabled in due course.

Statutory oversight of the Australian Securities and Investments Commission, December 2005
The government response is being considered and will be tabled in due course.

Corporate responsibility: Managing risk and creating value
The government response is being considered and will be tabled in due course.

Statutory oversight of the Australian Securities and Investments Commission, August 2006
The government response is being considered and will be tabled in due course.

ECONOMICS LEGISLATION
Report on annual reports (No. 1 of 2006)
The government response is being considered and will be tabled in due course.

The recommendations were dealt with during the debate of the bill. No further response is required.

ECONOMICS REFERENCES
Report on the operation of the Australian Taxation Office
Many recommendations have been implemented and several overtaken by legislative changes and administrative action taken by the Commissioner of Taxation. No further response is required.

Consenting adults deficits and household debt—Link between Australia’s current account deficit, the demand for imported goods and household debt
The government response is being considered and will be tabled in due course.

ECONOMICS STANDING
Petrol prices in Australia
The government response was tabled in the Senate on 21 June 2007.

ELECTORAL MATTERS (Joint Standing)
Funding and disclosure: Inquiry into disclosure of donations to political parties and candidates
The government response is being considered and will be tabled in due course.

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES
Bridging the skills divide
The Australian government response is being updated to reflect ongoing vocational and technical education reforms and is expected to be tabled in due course.

Indigenous education funding—Interim report and Final report
The government response is being considered and will be tabled in due course.

Student income support
The government response is being considered and will be tabled in due course.

Workplace agreements
The government response is being considered and will be tabled in due course.

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION STANDING
Perspectives on the future of the harvest labour force
The government response was tabled in the Senate on 21 June 2007.

ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS REFERENCES
The value of water: Inquiry into Australia’s urban water management
The government response was tabled in the Senate on 10 May 2007.
Regulating the Range, Jabiluka, Beverley and Honeymoon uranium mines
The government response is being considered and will be tabled in due course.

Turning back the tide—the invasive species challenge: Report on the regulation, control and management of invasive species and the Environment Protection and Biodiversity Conservation Amendment (Invasive Species) Bill 2002
The government response is being considered and will be tabled in due course.

Lurching forward, looking back: Budgetary and environmental implications of the Government’s Energy White Paper
The government response is being considered and will be tabled in due course.

The performance of the Australian telecommunications regulatory regime
The government response is being considered and will be tabled in due course.

Living with a salinity—a report on progress: The extent and economic impact of salinity in Australia
The government response is being considered and will be tabled in due course.

About time! Women in sport and recreation in Australia
The government response is being considered and will be tabled in due course.

FINANCE AND PUBLIC ADMINISTRATION REFERENCES
Staff employed under the Members of Parliament (Staff) Act 1984
The government response is being considered and will be tabled in due course.

Matter relating to the Gallipoli Peninsula
The government response is being considered and will be tabled in due course.

Government advertising and accountability
The government response is under consideration and will be tabled in due course.

FOREIGN AFFAIRS, DEFENCE AND TRADE (Joint, Standing)
Australia’s free trade agreements with Singapore, Thailand and the United States: progress to date and lessons for the future
The government response was tabled in both the House of Representatives and the Senate on 29 March 2007.

Australia’s defence relations with the United States
The government response was tabled in both the House of Representatives and the Senate on 1 March 2007.

Expanding Australia’s trade and investment relations with North Africa
The government response was tabled in the House of Representatives on 31 May 2007 and tabled in the Senate on 14 June 2007.

Australia’s relationship with the Republic of Korea; and developments on the Korean peninsula
The government response was tabled in both the House of Representatives and the Senate on 29 March 2007.

Australia’s response to the Indian Ocean tsunami
A government response is not required by the Committee.

Review of the Defence annual report 2004-05
The government response was tabled in both the House of Representatives and the Senate on 21 June 2007.

Review of Australia-New Zealand trade and investment relations
The government response was tabled in the House of Representatives on 24 May 2007 and in the Senate on 14 June 2007.

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION
Reforms to Australia’s military justice systems—First progress report
A government response is not required by the Committee.
Export Finance and Insurance Corporation Amendment Bill 2006
The government response is being considered and will be tabled in due course.

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES
Mr Chen Yonglin’s request for political asylum
The government response was tabled in the Senate on 14 June 2007.
The removal, search for and discovery of Ms Vivian Solon—Final report
The government response is being considered and will be tabled in due course.

FOREIGN AFFAIRS, DEFENCE AND TRADE STANDING
Blue water ships: consolidating past achievements
The government response is being considered and will be tabled in due course.

INFORMATION TECHNOLOGIES (Select)
In the public interest: Monitoring Australia’s media
The government does not propose to respond to this report. The recommendations of this report which was in 2000 have been overtaken by subsequent developments. In particular the provisions relating to personal privacy have been strengthened in the co-regulatory codes of practice for all media sectors, with each having a comprehensive complaints framework in place. In relation to enforcement, the passage of the government’s media reform package in 2006 included a range of new powers which have strengthened the broadcasting regulator’s capacity to effectively regulate the broadcasting industry and to ensure that industry sectors and individual organisations respond appropriately to complaints. The government also intends to introduce legislation in 2007 that will extend the regulatory regime governing content to new and emerging services and devices such as 3G mobile phones and on subscription-based internet portals.

INTELLIGENCE AND SECURITY (Joint, Statutory)
Review of administration and expenditure: Australian Intelligence Organisations Number 4—Recruitment and Training
The government response is being considered and will be tabled in due course.

Review of the relisting of Al-Qa’ida and Jamaah Islamiyah as terrorist organisations
The government response is being considered and will be tabled in due course.

Review of security and counter terrorism legislation
The government response is being considered and will be tabled in due course.

LEGAL AND CONSTITUTIONAL AFFAIRS STANDING
Corporations (Aboriginal and Torres Strait Islander) Bill 2005 [Provisions], Corporations Amendment (Aboriginal and Torres Strait Islander Corporations) Bill 2006 [Provisions] and Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Bill 2006 [Provisions]
The recommendations were dealt with during the debate of the package of bills. No further response is required.

Unfinished business: Indigenous stolen wages
The government response is being considered and will be tabled in due course.

LEGAL AND CONSTITUTIONAL LEGISLATION
Provisions of the Telecommunications (Interception) Amendment Bill 2006
The government response was tabled in the Senate on 10 May 2007.

LEGAL AND CONSTITUTIONAL REFERENCES
Reconciliation: Off track
The government response is being considered and will be tabled in due course.

The road to a republic
The government response is being considered and will be tabled in due course.
Administration and operation of the Migration Act 1958
The government response was tabled in the Senate on 14 June 2007.

MEDICARE (Senate Select)
Medicare—healthcare or welfare? and Second report: Medicare Plus: the future for Medicare?
The large number of measures contained in the Strengthening Medicare, 100% Medicare and Round the Clock Medicare packages have addressed most of the issues examined by the Senate Select Committee on Medicare. A combined response to both of these reports, taking into account initiatives announced as part of the Budget, is currently being finalised.

MENTAL HEALTH (Select)
A national approach to mental health—from crisis to community—Final report
The government response is being considered and will be tabled in due course.

MIGRATION (Joint, Standing)
Detention centre contracts: Review of Audit report No. 1 2005-06—Management of the detention centre contracts – Part B
The government response was tabled in the House of Representatives on 24 May 2007 and in the Senate on 14 June 2007.

Negotiating the maze—Review of arrangements for overseas skills recognition, upgrading and licensing
The government response is being considered and will be tabled in due course.

MINISTERIAL DISCRETION IN MIGRATION MATTERS (Senate Select)
Report
The government response is being considered and will be tabled in due course.

NATIONAL CAPITAL AND EXTERNAL TERRITORIES (Joint, Standing)
Norfolk Island electoral matters
A decision on Norfolk Island governance was made in 2006. A response to the report’s recommendations are being considered and will be tabled in due course.

Antarctica: Australia’s pristine frontier—Report on the adequacy of funding for Australia’s Antarctic Program
The government response was tabled in both the House of Representatives and the Senate on 1 March 2007.

Norfolk Island financial sustainability: The challenge—sink or swim?
A decision on Norfolk Island governance was made in 2006. A response to the report’s recommendations are being considered and will be tabled in due course.

Current and future governance arrangements for the Indian Ocean territories
The government response was tabled in both the House of Representatives and the Senate on 14 June 2007.

NATIVE TITLE AND THE ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND (Joint Statutory)
Report on the operation of Native Title Representatives Bodies
The government response was tabled in the House of Representatives on 15 February 2007 and in the Senate on 1 March 2007.

PUBLIC ACCOUNTS AND AUDIT (Joint Statutory)
Government business enterprises, December 1999 (Report No. 372)
The government response was presented out of sitting to the Senate on 12 April 2007 and tabled in the Senate on 9 May 2007 and the House of Representatives on 10 May 2007.

Developments in aviation security since the Committee’s June 2004 Report 400: Review of aviation security in Australia—An interim report (Report No. 406)
The government response is being considered and will be tabled in due course.

Review of Auditor-General’s reports tabled between 18 January and 18 April 2005 (Report No. 407)
The government response is being considered and will be tabled in due course.
Developments in aviation security since the Committee’s June 2004 Report 400: Review of aviation security in Australia (Report No. 409)

The government response is being considered and will be tabled in due course.

PUBLICATIONS (Joint)
Distribution of the Parliamentary Papers Series

The government’s response to Recommendation No. 18 was tabled in the House of Representatives on 24 May 2007 and tabled in the Senate on 14 June 2007. No further response is required.

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION
An appropriate level of protection? The importation of salmon products: A case study of the administration of Australian quarantine and the impact of international trade arrangements

The government response is being considered and will be tabled in due course.

Biosecurity Australia’s import risk analysis for pig meat

The government response is being considered and will be tabled in due course.

Administration of Biosecurity Australia—Revised draft import risk analysis for bananas from the Philippines

The government response is being considered and will be tabled in due course.

Administration of Biosecurity Australia—Revised draft import risk analysis for apples from New Zealand

The government response is being considered and will be tabled in due course.

The administration by the Department of the Agriculture, Fisheries and Forestry of the citrus canker outbreak

The government response is being considered and will be tabled in due course.

RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES
Rural water use

The government response was presented out of sitting to the Senate on 23 January 2007 and tabled in the Senate on 6 February 2007.

Australian forest plantations: A review of Plantations for Australia: The 2020 vision

The government response is being considered and will be tabled in due course.

Iraqi wheat debt—repayments for wheat growers

The government response is being considered and will be tabled in due course.

RURAL AND REGIONAL AFFAIRS AND TRANSPORT STANDING
Water policy initiatives—Final report

The government response is being considered and will be tabled in due course.

SCRUTINY OF BILLS (Senate Standing)
Third report of 2004: The quality of explanatory memoranda accompanying bills

The government response was tabled in the Senate on 29 March 2007.

Twelfth report of 2006: Entry, search and seizure provisions in Commonwealth legislation

The government response is being considered and will be tabled in due course.

TREATIES (Joint, Standing)
Treaties tabled on 7 December 2004 (4), 15 March and 11 May 2005 (66th report)

The government response is being considered and will be tabled in due course.

Review of treaties tabled on 28 March (4) and 5 September (2) 2006 (80th Report)

The government response was tabled in both the House of Representatives and the Senate on 22 March 2007.

Treaties tabled on 8 August 2006 (2) (81st Report)

The government response is being considered and will be tabled in due course.
Selection of Bills Committee
Report

Senator PARRY (Tasmania) (3.45 pm)—by leave—I present the 11th report for 2007 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator PARRY—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—
SELECTION OF BILLS COMMITTEE
REPORT NO. 11 OF 2007

1. The committee met in private session on Thursday, 21 June 2007 at 11.20 am.

2. The committee resolved to recommend—

(a) the Aviation Legislation Amendment (2007 Measures No. 1) Bill 2007 be referred immediately to the Rural and Regional Affairs and Transport Committee for inquiry and report by 30 July 2007 (see appendix 1 for statements of reasons for referral);

(b) the provisions of the Classification (Publications, Films and Computer Games) Amendment (Terrorist Material) Bill 2007 be referred immediately to the Legal and Constitutional Affairs Committee for inquiry and report by 30 July 2007 (see appendix 2 for statements of reasons for referral);

(c) the provisions of the Financial Sector Legislation Amendment (Discretionary Mutual Funds and Direct Offshore Foreign Insurers) Bill 2007 and the Corporations (National Guarantee Fund Levies) Amendment Bill 2007 be referred immediately to the Economics Committee for inquiry and report by 31 July 2007 (see appendix 3 for statements of reasons for referral);

(d) the provisions of the Financial Sector Legislation Amendment (Simplifying Regulation and Review) Bill 2007 be referred immediately to the Economics Committee for inquiry and report by 31 July 2007 (see appendix 4 for statements of reasons for referral);

(e) the provisions of the Higher Education Support Amendment (Extending FEE-HELP for VET Diploma and VET Advanced Diploma Courses) Bill 2007 be referred immediately to the Employment, Workplace Relations and Education Committee for inquiry and report by 30 July 2007 (see appendix 5 for statements of reasons for referral);

(f) the provisions of the Migration (Sponsorship Obligations) Bill 2007 be referred immediately to the Legal and Constitutional Affairs Committee for inquiry and report by 30 July 2007 (see appendix 6 for statements of reasons for referral);

(g) the provisions of the Social Security Legislation Amendment (2007 Budget Measures for Students) Bill 2007 be referred immediately to the Employment, Workplace Relations and Education Committee for inquiry and report by 30 July 2007 (see appendix 7 for statements of reasons for referral);

(h) the provisions of the Superannuation Legislation Amendment Bill 2007 be referred immediately to the Finance and Public Administration Committee for inquiry and report by 27 July 2007 (see appendix 8 for statements of reasons for referral);

(i) the provisions of the Tax Laws Amendment (2007 Measures No. 4) Bill 2007, Taxation (Trustee Beneficiary Non-disclosure Tax) Bill (No. 1) 2007 and the Taxation (Trustee Beneficiary Non-disclosure Tax) Bill (No. 2) 2007 be referred immediately to the Economics Committee for inquiry and report by 31 July 2007 (see appendix 9 for statements of reasons for referral);

(j) the provisions of the Telecommunications Legislation Amendment (Protecting Services For Rural And Regional Australia Into The Future) Bill 2007 be...
referred immediately to the Environment, Communications, Information Technology and the Arts Committee for inquiry and report by 30 July 2007 (see appendix 10 for statements of reasons for referral); and

(k) the provisions of the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Bill (No. 2) 2007 be referred immediately to the Employment, Workplace Relations and Education Committee for inquiry and report by 7 August 2007 (see appendix 11 for statements of reasons for referral).

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to its next meeting:
   • Lobbying and Ministerial Accountability Bill 2007
   • Peace and Non-Violence Commission Bill 2007
   • Public Interest Disclosures Bill 2007.

(Stephen Parry)
Chair
21 June 2007

Appendix 1
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Aviation Legislation amendment (2007 Measures No. 1) Bill 2007
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Rural and Regional Affairs and Transport
Possible hearing date(s):
Possible reporting date:
30 July 2007

(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Classification (Publications, Films And Computer Games) Amendment (Terrorist Material) Bill 2007
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Legal and Constitutional Affairs
Possible hearing date(s):
Possible reporting date:
30 July 2007

(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

Appendix 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Economics
Possible hearing date(s):
Possible reporting date:
31 July 2007
(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

———
Appendix 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Financial Sector Legislation Amendment (Simplifying Regulation and Review) Bill 2007
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Economics
Possible hearing date(s):
Possible reporting date:
31 July 2007
(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

———
Appendix 6
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Migration (Sponsorship Obligations) Bill 2007
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Legal and Constitutional Affairs
Possible hearing date(s):
Possible reporting date:
30 July 2007
(signed)
Senator Stephen Parry
Whip/Selection of Bills Committee member

———
Appendix 7
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Employment, Workplace Relations and Education
Possible hearing date(s):
Possible reporting date:
30 July 2007

———
Appendix 5
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Higher Education Support Amendment (Extending FEE-HELP For Vet Diploma and Advanced Diploma Courses) Bill 2007
Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Employment, Workplace Relations and Education
Possible hearing date(s):
Appendix 8

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Superannuation Legislation Amendment Bill 2007

Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Finance and Public Administration
Possible hearing date(s):
Possible reporting date:
27 July 2007
Possible hearing date(s):
Possible reporting date:
31 July 2007

Appendix 9

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Tax Laws Amendment (2007 Measures No.4) Bill 2007
Taxation (Trustee Beneficiary Non-Disclosure Tax) Bill (No.1) 2007
Taxation (Trustee Beneficiary Non-Disclosure Tax) Bill (No.2) 2007

Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Economics
Possible hearing date(s):
Possible reporting date:
30 July 2007

Appendix 10

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Telecommunications Legislation Amendment (Protecting Services For Rural And Regional Australia Into The Future) Bill 2007

Reasons for referral/principal issues for consideration
Consideration of the bill as necessary
Possible submissions or evidence from:
Committee to which bill is to be referred:
Environment, Communications, IT and the Arts
Possible hearing date(s):
Possible reporting date:
30 July 2007

Appendix 11

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill(s):
Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment (No.2)

Reasons for referral/principal issues for consideration
Enquiry into the efficiency of existing ATC’s before we consider the implementation of the three additional ATC’s.
Possible submissions or evidence from:
ATC’s, stakeholders, local secondary schools
Senator WORTLEY—On behalf of the Joint Standing Committee on Treaties, I present report No. 85 of the committee, Treaties tabled on 6, 7 and 27 February 2007. I seek leave to move a motion in relation to the report.

Leave granted.

Senator WORTLEY—I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

Report 85 contains the Committee’s findings on five treaty actions. The Committee found all the treaties reviewed to be in Australia’s national interest and, where a recommendation was required, recommended that binding treaty action be taken. I will comment on all the treaties reviewed in Report 85.

Mr President, under the Social Security Agreement with the Swiss Confederation, residents of Australia and Switzerland will be able to move between the two countries safe in the knowledge that their right to benefits is recognised in both Australia and Switzerland. The Agreement provides for enhanced access to certain Australian and Swiss social security benefits and greater portability of most of these benefits between countries.

The Agreement with Finland on the Avoidance of Double Taxation is a revised version of an existing treaty. The changes are designed to further aid in the elimination of obstacles to investment as a result of international double taxation. The Agreement will reduce rates of withholding taxes on dividends, interest and royalties and bring into line the treatment of capital gains tax with OECD practice and integrity measures. In particular, the Agreement includes rules to allow for the cross-border collection of tax debts and rules for the exchange of information on tax matters.

Mr President, Australia has a strong interest in maintaining biodiversity generally and in protecting migratory bird species which visit our shores. The Agreement with the Republic of Korea on the Protection of Migratory Birds will help protect bird species which regularly migrate between Australia and the Republic of Korea. This Agreement complements the two similar agreements Australia has in place with China and Japan.

Measure 4 (2006) Specially Protected Species: Fur Seals removes Antarctic fur seals from the list of Specially Protected Species established under the Antarctic Treaty. Research has determined that these fur seals are no longer at significant risk of extinction, meaning they no longer require Specially Protected Species status to ensure their conservation. Fur seals will continue to receive the comprehensive general protections afforded to all Antarctic seal species.

Mr President, I would finally like to comment on the Treaty between Australia and East Timor on Certain Maritime Arrangements in the Timor Sea, known as the CMATS Treaty.

The principal aim of the CMATS Treaty is to allow for the exploitation of the Greater Sunrise natural gas field, located between Australia and East Timor in the Timor Sea. Upstream revenues from this resource will be shared equally between Australia and East Timor, estimated to be around US$20 billion over the life of the field. The Treaty also prevents both countries from asserting or pursuing their maritime boundary claims in the Timor Sea for 50 years.

Many of the submissions received by the Committee in relation to the inquiry expressed strong reservations about certain aspects of the treaty. Particularly, there was concern regarding the 50 year moratorium on asserting claims to maritime boundaries. Several submissions accused Austra-
lia of contravening international laws in this respect, claiming that if permanent maritime boundaries were concluded along the median line halfway between Australia and East Timor’s coastlines, the Greater Sunrise field would lie entirely within East Timor’s exclusive economic zone. This related to a further concern over the equal share of upstream revenues from the Greater Sunrise field—many of the submissions received pointed out that the delimitation of maritime boundaries along the median line would result in ALL of the revenue from Greater Sunrise belonging to East Timor.

Mr President, while the Committee acknowledged these concerns, it noted that under the United Nations Convention on the Law of the Sea, if the two countries were unable to agree to a permanent maritime boundary, they were obliged to enter into provisional arrangements of a practical nature without prejudice to the final decision. This has been achieved through the CMATS Treaty.

Further, the equal share of upstream revenue from Greater Sunrise is a vast improvement on the previous 18% East Timor was entitled to prior to the CMATS Treaty. The apportionment of Greater Sunrise under this treaty is a positive step for East Timor and the Committee supports the sharing arrangement established by CMATS.

Mr President, I should mention briefly the Government’s use of the national interest exemption to bring the CMATS Treaty into force prior to the Committee reporting. The exemption is intended for use in only extreme situations, and the Committee would have preferred the opportunity to review the treaty and report in a shorter than usual timeframe. The Committee acknowledges that the immediate development of the Greater Sunrise field will be a significant benefit to the people and economies of both Australia and East Timor, and the ratification of the CMATS Treaty was required before that development can occur.

Mr President, I commend the report to the Senate.

Question agreed to.

BUSINESS
Rearrangement

Senator ABETZ (Tasmania—Manager of Government Business in the Senate) (3.47 pm)—by leave—I move:

That the Senate continue to sit between 6.30 pm and 7.30 pm.

Question agreed to.

WHEAT MARKETING AMENDMENT BILL 2007

In Committee

Consideration resumed.

Senator O’BRIEN (Tasmania) (3.48 pm)—by leave—I move opposition amendments (2) to (7) on sheet 5307:

(2) Schedule 1, item 2, page 3 (line 12), omit “request”, substitute “require”.

(3) Schedule 1, item 2, page 3 (line 17), omit “Request”, substitute “Requirement to produce information and documents”.

(4) Schedule 1, item 2, page 3 (line 18), omit “request”, substitute “require”.

(5) Schedule 1, item 2, page 4 (line 10), omit “Request”, substitute “Requirement to produce report”.

(6) Schedule 1, item 2, page 4 (line 11), omit “request”, substitute “require”.

(7) Schedule 1, item 2, page 4 (after line 17), after section 5DB, insert:

5DBA Failure to produce information, documents or a report

If a person fails to produce information, documents or a report in accordance with section 5DA or 5DB, as the case may be, the person is guilty of an offence.

Penalty: (a) in the case of a natural person—600 penalty units; or
(b) in the case of a body corporate—5,000 penalty units.
I have debated these amendments substantially. These amendments replace the empowerment of the authority or the commission to request information, replacing it with the power to require the production of information. I have debated the reasons for that. With respect to amendment (7), because we would see this as being a power to compel, the failure to comply ought have a penalty. This amendment contains penalty provisions, based on the current Criminal Code penalty of $110 per unit. In our view, if we are going to have real teeth for the regulator, this is the sort of provision that is necessary. We are still unable to fathom the government’s resistance to this proposition.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (3.49 pm)—Very briefly, like Senator O’Brien, I think we can all be agreed that these issues were canvassed during the question and answer session that we had previously in the committee stage. I do not seek to detail the reasons why we are opposed to the amendments any further than was previously canvassed.

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

The committee divided. [3.54 pm]
(The Chairman—Senator JJ Hogg)

Ayes……………... 32
Noes…………….. 36
Majority……….. 4

AYES

Allison, L.F. Bartlett, A.J.J. McIlve, C.
Bishop, T.M. Brown, B.J. Murray, A.J.M.
Brown, C.L. Carr, K.J. O’Brien, K.W.K.
Conroy, S.M. Evans, C.V. Sherry, N.J.
Forsyth, M.G. Hogg, J.J. Stephens, U.
Hurley, A. Hutchins, S.P. Stott Despoja, N.
Kirk, L. Ludwig, J.W. Wong, P.
Lundy, K.A. Marshall, G. McEwen, A.
McLucas, J.E. Nettle, K.
MOORE

NOES

Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Birmingham, S. Boswell, R.L.D.
Boyce, S. Brandis, G.H.
Calvert, P.H. Chapman, H.G.P.
Colbeck, R. Coonan, H.L.
Cormann, M.H.P. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Humphries, G. Johnston, D.
Joyce, B. Lightfoot, P.R.
Macdonald, J.A.L. Mason, B.J.
McGauran, J.J.J. McLucas, J.E.
Parry, S. * Minchin, N.H.
Payne, M.A. Minchin, N.H.
Scullion, N.G. Minchin, N.H.
Trood, R.B. Minchin, N.H.

PAIRS

Campbell, G. Heffernan, W.
Crossin, P.M. Macdonald, I.
Faulkner, J.P. Kemp, C.R.
Polley, H. Minchin, N.H.

* denotes teller

Question negatived.

Senator O’BRIEN (Tasmania) (3.58 pm)—I move opposition amendment (8) on sheet 5307:

(8) Schedule 1, item 2, page 6 (after line 5), after subsection 5DC(9), insert:

Presentation of report to Parliament

(9A) The Minister must cause the whole of a report presented to him or her in accordance with this section to be tabled in each House of the Parliament within 5 sitting days of that House after receiving the report.

This refers to section 5DC of the bill, which provides the minister with the power to order
the regulator to conduct an investigation into matters listed in 5DC(2). There is no requirement for the minister to make such a report public, despite the fact that the minister can only request such an investigation if the minister has already determined that it is in the public interest to do so. In those circumstances, given that it is a public interest investigation, this amendment would require the minister to table such a report in the parliament within five sitting days. Simply put, if a public interest investigation is, in the view of the minister, required then it goes without saying that the minister ought to report to parliament the fact that such a request has been made and that the report on such a request be made public. I commend the amendment to the Senate.

Senator MURRAY (Western Australia) (3.59 pm)—The Democrats felt with the previous amendment that people like the ACCC, ASIC and APRA do not 'request' as an independent authority; they 'require' and that that was appropriate for this authority. That amendment now having been lost, this particular amendment asks that a report be tabled in each house of the parliament. I am a little concerned with the wording. I am not sure that the whole of a report would automatically be advisable. Traditionally, ministers have had the ability to withhold a matter. For instance, it might be commercial-in-confidence. It worries me that that discretion is not there. I also think that five sitting days is too short. But I wish to say to the shadow minister: I think you are dead right on the principle that a report be tabled within a reasonable time in the parliament.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.00 pm)—The language used by Senator O’Brien is that there is a request, but in fact the minister must cause the whole of a report to be tabled. I thought he said the 'request' for a report. I may have misinterpreted what he said—

Senator O’Brien—I think I did say both.

Senator ABETZ—Right. His actual amendment is simply that the report presented must be tabled within five days. The reason that Senator Murray has outlined in relation to commercial sensitivities is one of the reasons why we oppose this. Also, the report may well contain other sensitive information which the minister might be referring to prosecuting authorities or other investigative authorities, and to have that document tabled within five days may well be before certain authorities even get their proper investigations underway in a full way. So we believe that, whilst we can understand what is motivating this request, I must say that the government cannot support the amendment.

Question negatived.

Senator O’BRIEN (Tasmania) (4.02 pm)—I move Labor amendment (9) on sheet 5307 standing in my name:

(9) Schedule 3, item 2, page 8 (after line 21), after subsection 3AA(5), insert:

Limitation on declaration

(5A) The Minister must not make a declaration in accordance with this section unless:

(a) the Minister has caused a poll to be conducted of all growers who have paid a wheat export charge as defined in the Wheat Marketing Act 1989 since July 2002; and

(b) the poll finds that 51 per cent or more of growers are in support of declaring the specified company; and

(c) such further conditions as the Minister considers appropriate.

(5B) The poll required to be conducted by subsection (5A) is to be conducted by the Australian Electoral Commission in
accordance with that Commission’s recommendations for the fair conduct of such a poll.

This is the growers’ support test. If the measures in this legislation are to be enacted in the name of the growers then surely there ought to be evidence that the growers support the measure to be enacted, in this case the very important measure of the declaration of another company as the single desk with all of the protections and the right of veto power. We have heard suggestions that there has been consultation but we have also heard clear responses which indicate that growers were not even shown this legislation and that the Grains Council were not told that they were being removed from the consultation process by the legislation. So how could we have confidence that growers would be supporting some organisation given support by the government?

This is a real test for the bona fides of the coalition, those who claim that this is done in the name of the growers. Why not give the growers an opportunity to have a say in a matter such as this? If the growers support it and if growers give such a body support, then surely that would lend the decision of the minister much more credibility. I believe that this is a fundamental provision that needs to be included in the bill and I urge the Senate to support it.

Question put:
That the amendment (Senator O'Brien's) be agreed to.

The committee divided. [4.08 pm]

(The Chairman—Senator JJ Hogg)

Ayes............. 28
Noes............. 32
Majority......... 4

AYES

Conroy, S.M.
Forshaw, M.G.
Hurley, A.
Kirk, L.
Landy, K.A.
McEwen, A.
Milne, C.
Murray, A.J.M.
O'Brien, K.W.K.
Siewert, R.
Sterle, G.
Wong, P.

NOES

Abetz, E.
Bernardi, C.
Boyce, S.
Chapman, H.G.P.
Cormann, M.H.P.
Ellison, C.M.
Fielding, S.
Fifield, M.P.
Humphries, G.
Joyce, B.
Macdonald, J.A.L.
McGauran, J.J.
Parry, S.
Payne, M.A.
Scullion, N.G.
Trood, R.B.

PAIRS

Carr, K.J.
Crossin, P.M.
Evans, C.V.
Faulkner, J.P.
Polley, H.
Ray, R.F.
Stott Despoja, N.

Cooan, H.L.
Macdonald, I.
Barnett, G.
Boswell, R.L.D.
Heffernan, W.
Calvert, P.H.
Minchin, N.H.

* denotes teller

Question negatived.

Senator O'BRIEN (Tasmania) (4.11 pm)—The Labor Party oppose schedule 4 of the bill in the following terms:

(10) Schedule 4, items 1 and 2, page 13 (lines 5 to 13), TO BE OPPOSED.

(11) Schedule 4, items 9 to 13, page 14 (lines 9 to 19), TO BE OPPOSED.

We oppose these items, which establish a so-called quality assurance scheme for boxed
and bagged wheat. We do not oppose the provisions of schedule 4 which allow for the deregulation of boxed and bagged wheat, including related consequential amendments. The reason for opposing these provisions is that there are extensive provisions within existing legislation to ensure quality issues are effectively managed.

With the exception of the AWB, growers have unanimously supported calls for the immediate deregulation of containerised and bagged wheat. The government has failed to prosecute a case that there is market failure in terms of the quality of Australian boxed and bagged wheat exports. If our earlier amendment had been carried it would have been the best outcome, but we say that if you are going to deregulate containerised and bagged wheat then do not put in place false quality requirements which simply stymie the efforts of the sector to expand. This is not a quality assurance scheme; it is simply going to be an impost on growers who seek to use this provision. It is clearly designed to make the cost of each shipment more expensive. It has not been made clear whether each container has to have individual certification if there is a multicontainer shipment. Frankly, this industry has an excellent quality assurance program in place; they should be commended for it and not penalised, as these provisions would do. We urge the Senate to oppose these provisions in the bill.

**Senator MURRAY** (Western Australia) (4.14 pm)—While the Democrats are sympathetic to these arguments, we think that the government are entitled to trial the system. We just ask—and perhaps the minister can confirm this on the record—that they monitor its efficiency and efficacy to make sure it does not act as a barrier to exports, which is what the shadow minister is saying. But, on the basis of the knowledge we have at this stage, we will not oppose schedule 4.

**Senator ABETZ** (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.14 pm)—I can confirm that the government monitors all legislation, in fact, at all times. If we see certain developments that suggest that legislation needs to be changed, I think we have been shown many, many times to be willing to change our minds and change the legislation to make it relevant to the prevailing circumstances.

**The TEMPORARY CHAIRMAN** (Senator Kirk)—The question is that schedule 4, items 1 and 2 and 9 to 13 stand as printed.

Question agreed to.

**Senator O'BRIEN** (Tasmania) (4.15 pm)—I move amendment (12) on sheet 5307:

(12) Schedule 5, page 29 (after line 1), after item 54, insert:

54A After subsection 60(1)

Insert:

(1A) If the Minister does not agree in writing in accordance with subsection (1), the Minister must provide a written statement of particulars and reasons specifying the ground or grounds on which agreement was not given.

(1B) A copy of the Minister’s decision in relation to consent, and the written statement of particulars and reasons, if applicable, must be supplied to:

(a) the Chairperson of the Commission; and

(b) the person who made the application to export wheat under section 57.

(1C) The Minister must cause a copy of his decision in relation to consent given in accordance with subsection (1) and a statement of particulars and reasons in accordance with subsection (1A), if applicable, to be tabled in each House of the Parliament within 5 sitting days of that House after the Minister makes a decision in relation to consent.
This provision places limits on and requires accountability for the minister’s use of the temporary veto power. This amendment requires the minister to provide a written statement of reasons if he or she chooses to use the temporary veto power conferred by section 62(2). A copy of the written statement of reasons must be supplied to the chairperson of the regulator, the person who made the application and both houses of parliament within five days of the notice.

This move would be strongly welcomed by many growers and their organisations. It is necessary to ensure that the minister is held publicly accountable for the decisions he takes in this very powerful position that the parliament confers upon him in relation to export wheat applications and to guard against cavalier decisions—particularly to guard against conflict of interest, but certainly on the basis of transparency. We do not see why the minister should not provide that information to the parliament. The minister might say, ‘Well, people may choose to supply it,’ but I would respond by saying: ‘Why should the parliament be dependent on other people to inform it about how the powers conferred upon the minister by the parliament are used? Why shouldn’t the minister advise the parliament?’ We do not think this is an onerous provision. We think it ought to be supported.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.17 pm)—The government opposes the amendment. We believe it is not necessary. Applicants can ask for a statement of reasons if they wish. In addition, applicants can appeal the decisions under administrative law. As such, there is already sufficient transparency and accountability in the process. Further, disclosing all reasons publicly may involve disclosing commercial information relating to the marketing of Australian wheat.

Senator O’BRIEN (Tasmania) (4.17 pm)—I move amendment (13) on sheet 5307:

(13) Schedule 5, page 29 (after line 9), after item 57, insert:

57A After subsection 62(2)
Insert:

(2A) If the Minister gives a notice in accordance with subsection (1), the Minister must provide a written statement of particulars and reasons specifying the ground or grounds on which the notice was given.

(2B) A copy of the notice in accordance with subsection (1) and the written statement of particulars and reasons in accordance with subsection (2A) must be supplied to:

(a) the Chairperson of the Commission; and

(b) the person who made the application to export wheat under section 57.

(2C) The Minister must cause a copy of a notice given in accordance with subsection (1) and a written statement of particulars and reasons in accordance with subsection (2A) to be tabled in each House of the Parliament within 5 sitting days of that House after the notice is given.

Section 60(1) of the act provides that the regulator cannot provide a permission to export wheat unless the minister has agreed in writing to do so. This amendment is identical in effect to amendment (14).

Senator Abetz—Is there a (14)?

Senator O’BRIEN—No, there is not. I withdraw that. This amendment is necessary to require the minister to actually make a decision on an application and not simply sit on an application. It is necessary to ensure that there is no game playing in this process. This amendment is required to ensure that, being given the power, the minister will ex-
exercise it in a way that is transparent and will provide a copy of the decision and the particulars to the parliament, particularly where he decides to refuse to consent.

Question negatived.

Senator O’BRIEN (Tasmania) (4.19 pm)—I move amendment (1) on sheet 5315:
(1) Schedule 3, item 2, page 9 (lines 12 to 14), omit subsection 3AA(12), substitute:
(12) Until the first declaration under subsection (1) takes effect, nominated company B continues to be the designated company for the purposes of this Act until 1 July 2008, after which time nominated company B ceases to be the designated company for the purposes of this Act.

This is the ‘let’s not have AWB become the default single desk beneficiary because a minister doesn’t act’ amendment. The minister conceded earlier that I was correct—he chose to say it was ‘technically correct’, which means, I think, the same thing as saying that I was correct—in saying that, if there is no decision exercised under proposed section 3AA(1) in that window of opportunity for such a declaration to be made, then, on the bill as it stands, nominated company B, AWB, would continue to be the single desk holder with the power to export without permit. It would not have the veto power—we can be thankful at least for that—but it would still have effective control of the export of the majority of Australian wheat.

I would have thought, with all that the government has said about a time to change the status quo, that the government would welcome an amendment which made absolutely clear that there was not any way where, by default, AWB would become the controller of the single desk again. I would have thought that that was something that the government could contemplate in no circumstances, yet this legislation was introduced just a week ago containing this provision and also permitting AWB to have the veto power. Now the veto power has been removed, but we still have this anomaly in the legislation in the circumstances where a minister decides not to declare a particular company a designated company.

Let us look at the circumstances. The attempts to demerge AWB International fail, and it is a stiff task to demerge that company. You need a vote of the A-class shareholders, the B-class shareholders and the B-class shareholders by state—a majority in each case. It is not an easy task to demerge AWB International from AWB Limited. So, if that did not occur, where are we? The government says it will introduce new legislation but, at the present time, whilst that is an intention, the parliament cannot be satisfied with leaving a situation where, were that not to happen or were that legislation not to pass for some reason, there would be a reversion to AWB. Why should the parliament allow this provision, as contained in the bill, to stand and to lead to that outcome? It is a simple proposition and the amendment that I move makes sure that that will not happen because, if by 1 July 2008 there is no designated company, there will be no reversion. In other words, there will have to be some action by the parliament to deal with that circumstance.

In terms of the proposition that somehow we can simply wait on the government’s pleasure on this, I suggest that that would be the most irresponsible position that could be taken in relation to this legislation. This is a fundamental provision and the government has given a commitment to the public that AWB Limited and AWB International together will not be the mechanism for the single desk in the future. If they are committed to that, they will have no problem supporting this, but, if the government is not prepared to support this, the only conclusion that we can come to is that there is a secret agenda, that
the government is looking for an opportunity—

Senator Abetz—Really?

Senator O’BRIEN—Perhaps Senator Abetz is not aware of it but, given the shenanigans that occurred with this legislation in the first place—it had to be amended within days of it being introduced because of uproar in the government ranks, but this is something that has been missed—the reality is, if the government does not pass this legislation, the only conclusion can be that the government is comfortable with the proposition that from 1 July next year AWB International and AWB Limited together can come back into the picture and run the single desk, because that is what this legislation means. It is as simple as that.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.25 pm)—Can I disabuse Senator O’Brien of any notion that there is a secret agenda. If there is a secret agenda it is so secret that nobody in the government knows about it. But, if Senator O’Brien’s amendment were agreed to, there would be no designated company as at 1 July 2008 in the event the demerger does not occur or a new entity does not happen. That would therefore mean the end of the single desk. I am not sure that that would be necessarily the outcome that people would want. Having said that, it is not expected to happen in any event because the Prime Minister said in that statement of 22 May that I have referred to on a number of occasions that, in the event that there is no new entity by 1 March 2008, new legislation would be considered and further legislation would be introduced, and that gives us a window of opportunity of some three months.

Senator JOYCE (Queensland) (4.27 pm)—I just want to confirm that, so that I am clear. Under section 3AA, if on 1 March 2008 another designated entity has not been created, it reverts to AWBI without the power of veto.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.27 pm)—Yes. As it currently stands that would be the case.

Senator O’BRIEN (Tasmania) (4.27 pm)—And, as it currently stands, AWBI is a subsidiary of AWB Limited, so we would have the single desk under the control of AWB, as it has been since 1999 and as it was throughout the wheat for weapons scandal.

The proposition which concerns me more than there being a need for legislation is the proposition that there is strong pressure within the National Party to keep AWB in control of the single desk and, were the coalition to be returned at the next election, by convention a National Party minister would have the portfolio—the National Party minister is the minister referred to in the legislation—unless there is going to be some big change. Given the performance of this minister on this legislation and the fact that he has had to be rolled so quickly, there is obviously room for more shenanigans in terms of what happens with this industry. I frankly do not accept the assurances that we can be certain that there will be an acceptable series of measures put in place were this government returned. And, were a Labor government returned, there is no way we would be accepting the proposition that AWB would control the single desk. So we would certainly be introducing legislation to make sure that that did not happen. But, of course, we would be dependent in that period—up to 30 June—on support from the coalition in the Senate. Clearly there is an agenda here to try and control the agenda even if the government does not win the election. We are very concerned that this is a proposition which is designed to give this minister the power to do nothing and achieve an outcome that is
clearly held dear by some in the National Party but certainly not held dear by growers.

We think the government ought to be supportive of this proposition. In the event that it wins the election and its suggestions for a grower controlled entity come into being by 1 March, if it is saying it is going to introduce legislation and we are saying we are going to introduce legislation, what is the problem with the amendment we are proposing? In fact, our amendment is the sensible course of action. If the government fails to pass this then I think it is a reasonable conclusion, which the public can and will draw, that the government has no real commitment to removing AWB from control of the single desk.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.30 pm)—Briefly, just to make it absolutely clear, on 22 May 2007 in response to a question from the excellent member for Grey, Mr Wakelin, the Prime Minister said this:

If growers are not able to establish the new entity by 1 March next year, the government will propose other marketing arrangements for wheat exports. Let me make this clear to the House. The options available would include further deregulation of the wheat export market. The government believes that the new arrangements will maximise the returns to growers—

Of course, talking about maximising returns to growers required a spurious point of order from the member for Denison, Mr Kerr. Then Mr Howard continued. That statement from the Hansard from the other place makes it perfectly clear what the government will do in the event that we are re-elected. Quite clearly, either side of politics would need to address the situation and would address it in the event that growers could not get themselves together by 1 March 2008.

Question put:

That the amendment (Senator O’Brien’s) be agreed to.

The committee divided. [4.36 pm]

(The Chairman—Senator JJ Hogg)

Ayes…………. 29

Noes…………. 34

Majority……… 5

AYES

Bartlett, A.J.J.
Brown, B.J.
Campbell, G. *
Conroy, S.M.
Hogg, J.J.
Hutchins, S.P.
Ludwig, J.W.
Marshall, G.
McLucas, J.E.
Moore, C.
Nettle, K.
Sherry, N.J.
Stephens, U.
Webber, R.
Wortley, D.

NOES

Abetz, E.
Bernardi, C.
Boyce, S.
Calvert, P.H.
Colbeck, R.
Cormann, M.H.P.
Ellison, C.M.
Fielding, S.
Fifield, M.P.
Humffries, G.
Joyce, B.
Macdonald, J.A.L.
McGauran, J.J.
Parry, S.
Payne, M.A.
Scullion, N.G.
Trood, R.B.

PADS

Crossin, P.M.
Evans, C.V.
Faulkner, J.P.
Polley, H.
Ray, R.F.
Stott Despoja, N.

* denotes teller
Question negatived.

Senator O'BRIEN (Tasmania) (4.39 pm)—I move amendment (2) on sheet 5315:

(2) Schedule 5, item 43, page 26 (line 16) to page 27 (line 3), omit the item, substitute:

43 Section 14
Repeal the section, substitute:

14 Staff
(1) The staff of the Commission are to be persons engaged under the Public Service Act 1999.

(2) For the purposes of the Public Service Act 1999:
(a) the Chairperson and the staff together constitute a Statutory Agency; and
(b) the Chairperson is the Head of that Statutory Agency.

43A Before section 16
Insert:
Division 6—Planning and reporting obligations

This is the Grains Council of Australia amendment. The government, without notice and without any consultation whatsoever, removed the reference to the Grains Council, the requirement to brief the Grains Council and the requirement to report to growers, albeit in an annual report table. If there is a move in this direction, there should be full consultation with the industry about this provision before it is done. There has been no consultation. This is simply another high-handed action by this minister to do something, with no warning, no consultation and, frankly, no justification.

This amendment is a matter of basic openness and transparency to the industry that is being regulated and that pays for the Export Wheat Commission or the Wheat Export Authority. Why shouldn’t they and their peak representative body be guaranteed consultation by the legislation rather than at the whim—perhaps suggested by the minister—of whoever is running the authority or the commission at the time?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.41 pm)—If the provisions were to remain, as is being suggested by Senator O’Brien, we would have the authority being responsible under the Commonwealth Authorities and Companies Act 1997. What we are doing with the Uhrig review is changing the structure so that it would now be under the Financial Management and Accountability Act. Also, as part of that new regime, we have the independence of the commissions from representative bodies, such as the GCA, and that will ensure maximum objectivity, transparency and regulatory independence. While there is no longer a specific requirement for the commission to consult formally with the GCA, it is expected that the commission will, as a matter of course, consult widely and regularly with industry. In his statement of expectations to the EWC, the minister has said that he will request the commission consult widely with industry. The requirement that at least one commissioner have expertise in export wheat production and another have expertise in grain production means that the view of industry will be represented on the commission. This is going to be more of an expertise based body than one with people consulted on the basis of a representational situation. The new commission is to be an independent statutory body, and requirements for it to be obliged to report to any representative body are inconsistent with this policy and expectation of independence.

Senator O'BRIEN (Tasmania) (4.42 pm)—I was under the impression that the Uhrig report was not about representation. This is not what we would expect in this type of amendment. What we are saying, whether it be under the Commonwealth Authorities and Companies Act or the Financial Man-
agement and Accountability Act, is that there ought to be consultation with the peak industry body. The legislation at the moment guarantees it. There is no reason to remove it. That there would be some ministerial or governmental suggestion that some form of consultation would occur is frankly not good enough. That is why we pressed this amendment. The position of growers and the Grains Council has never been controversial and, as far as I am aware, it was not a matter that was raised in any of the consultation meetings. We certainly have not had the benefit of the Ralph report, but I very much doubt from what I have heard that it would be touching upon a matter such as this. It is clearly a decision of the minister, with no consultation. It is clearly a decision of the minister which, frankly, is arrogant in terms of changing the reporting requirements to the growers who pay for this body. We believe that this amendment ought to be carried.

Question negatived.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (4.45 pm)—I move:

That this bill be now read a third time.

Senator O’BRIEN (Tasmania) (4.45 pm)—The opposition is extremely unhappy with most of this legislation. We have seen the government vote down every attempt to amend it, no matter how sensible. We believe that there are provisions in this legislation which will, in the future, hamper the industry rather than help it. We believe there are provisions in this legislation which will be unworkable and we believe this legislation does not give the necessary consultation mechanisms for growers who have been paying for the mechanisms to scrutinise the holder of the single desk on their behalf. On that ground alone one would have thought this legislation ought to have been opposed, but, unfortunately, contained within it is a provision which makes sure that the single desk arrangements do not, on 1 July this year, in terms of the veto power, revert to AWB. We have indicated that we will support that.

We will support the bill, but only on the basis that we would support that provision. Were it not for that provision we would oppose this bill, and we would not accept as honest any statement at any time if it represented our position as supporting the legislation because we voted for the third reading. We make it clear we are voting on the basis of schedule 2 being in the bill and not separated, and for no other reason.

Question agreed to.

Bill read a third time.

NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS SCHEME) BILL 2007

Consideration of House of Representatives Message

Message received from the House of Representatives returning the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2007, informing the Senate that the House has agreed to amendments made by the Senate, has disagreed to amendment No. 3 made by the Senate but has made an identical amendment in place of the amendment.

Ordered that the message be considered in Committee of the Whole immediately.

House of Representatives message—

(3) Schedule 1, item 81, page 29 (lines 4 to 12), omit subsection 99ACC(4), substitute:

(4) If the Pharmaceutical Benefits Advisory Committee gives advice to the Minister under subsection 101(4AC) in
relation to the combination item, then, in working out the new price of the single brand of the combination item, the Minister may have regard to that advice in considering the extent (if any) to which to reduce the existing agreed price.

(4A) If:
(a) subsection (4) applies; and
(b) the Minister decides to reduce the existing agreed price;
then, in agreeing the new price of the single brand of the combination item, the Minister:
(c) may have regard to the advice referred to in subsection (4) in relation to the combination item; and
(d) must take into account, in relation to the listed component drug, or each listed component drug, that became subject to statutory price reduction:
(i) the approved price to pharmacists, on the reduction day, of each brand of a pharmaceutical item that has the drug that is the listed component drug; and
(ii) the quantity of the listed component drug contained in the combination item.

(4B) If subsection (4) does not apply, then, in agreeing the new price of the single brand of the combination item, the Minister must take into account, in relation to the listed component drug, or each listed component drug, that became subject to statutory price reduction:
(a) the approved price to pharmacists, on the reduction day, of each brand of a pharmaceutical item that has the drug that is the listed component drug; and
(b) the quantity of the listed component drug contained in the combination item.

CHAIRMAN—Before proceeding I have a statement to make as the chairman of committees. Although the relevant Senate amendment was moved by the government in the Senate without any suggestion that it should be a request, the amendment has been disagreed to in the House of Representatives on the basis that it should have been a request. The statement under the order of the Senate of 26 June 2000, which would have been issued if the government had raised the question in the Senate, would have indicated that it would not be in accordance with the precedents of the Senate to treat this amendment as a request. A resolution of the Senate in 1981 established the principle that an amendment which would empower a minister to make determinations which would increase expenditure otherwise to be made under the bill should not be a request, on a proper interpretation of section 53 of the Constitution. This principle has consistently been applied by the Senate since that time. As the substitute amendment made in the House is the same as the amendment made by the Senate, it is suggested that the Senate can now simply agree to the amendment which it originally made.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (4.49 pm)—I move:

That the committee agrees to the amendment made by the House of Representatives to the bill, which is identical to Senate amendment No. 3.

Senator McLUCAS (Queensland) (4.50 pm)—This is what you get when you rush things. During the whole debate that we have had about the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2007, I have made the point that this has been rushed through the Senate. This was referred to a committee on a Thursday; the committee met on a Friday and reported on a Monday. It has been a completely rushed process. When you report on a Monday and expect to deal
with a bill properly and appropriately through the Senate processes alone you make mistakes. And I am afraid this is a perfect example of a government not thinking things through. We are talking about the Pharmaceutical Benefits Scheme. It is a scheme that Australians are, and should be, proud of. If the Howard government is going to make legislation in this way, and with these sorts of results, it is quite reasonable for the Australian public to be somewhat perturbed.

We will, of course, be supporting this amendment. Its intent is correct. This a question of process. It is a process issue where this government, once again, has failed to get it right. I said, earlier in debate in the committee stage of this bill, that we are doing a lot of legislation by luck. I think this is legislation by hope. We hope that the government’s intent in this bill will be achieved. We hope that patients will not bear the brunt of these changes to the pricing arrangements of pharmaceuticals, but without the modelling and without the information that this government should have provided us, it is, unfortunately, not a position that one can hold strongly.

This is embarrassing for the government. They should be embarrassed. This is a principle that has been part of this place for eons. Maybe ‘eons’ is overstating it, but it has been a principle for a very long time. This is an error that should not have been made but Labor will be supporting it. We supported the intent initially and we hope that the government learns from this debacle. It has tried to push legislation through the Senate and as a result we have ended up with mistakes being made.

Senator MASON (Queensland— Parliamentary Secretary to the Minister for Health and Ageing) (4.52 pm)—Can I make two points. Firstly, as I said in the committee stage of the debate on the bill, I have some sympathy for Senator McLucas—and I can see in the chamber Senator Moore, the deputy chair of the community affairs committee—about the length of time that was given to deliberate on this bill. I accept that. As I mentioned, I was a chair not so long ago in a similar situation on another important bill, and I know the time pressures. It makes it very difficult for senators, and I accept that.

Secondly, however, can I disagree with Senator McLucas on the point about it being rushed through or it being a debacle. This reflects the 106-year tension between the Senate and the House of Representatives over constitutional prerogatives. It is not a debacle; it was not a mistake. It simply represents the tension between the two houses under section 53 of the Constitution. So there was no mistake: this was deliberate. We were trying to assert the Senate’s prerogatives, which I would hope all good senators would agree with.

Question agreed to.
Resolution reported; report adopted.

TAX LAWS AMENDMENT (SIMPLIFIED GST ACCOUNTING) BILL 2007

Second Reading

Debate resumed from 20 June, on motion by Senator Johnston:

That this bill be now read a second time.

Senator MURRAY (Western Australia) (4.55 pm)—The Tax Laws Amendment (Simplified GST Accounting) Bill 2007 amends the act known as the A New Tax System (Goods and Services Tax) Act 1999—otherwise known as the GST act—to assist in reducing the compliance costs for small business. This bill streamlines compliance for small business entities with a turnover of less than $2 million and reduces cost.

The bill seeks to extend the class of entities to which the simplified accounting
methods can apply. These amendments allow the Commissioner of Taxation to determine simplified accounting methods in writing. These can be made for small businesses and other entities with an annual turnover of less than $2 million that make a mix of taxable and GST-free supplies or that acquire a mix of supplies that are taxable and GST free for the suppliers, known as mixed inputs. As at present, the commissioner can continue to determine simplified accounting methods for retailers and charities. There are precedents for this sort of treatment.

The compliance cost impact is minor. There will be minor transitional compliance costs for eligible businesses as they initially adopt the new simplified accounting methods. However, on an ongoing basis the simplified accounting methods are expected to reduce their compliance costs.

By extending the classes of people who can access this accounting method, the bill could theoretically open the system to some abuse and it will therefore need to be monitored. The measure does not apply to small business entities which work out their income at the end of the year and who do not have to produce a quarterly BAS. These measures do reduce very marginally the revenue raised through the GST.

This bill will be very popular with small business owners, especially those who dislike doing the full BAS, and it may have the effect of reducing some of the paperwork the ATO has to put up with. The Australian Democrats support this bill.

Senator SHERRY (Tasmania) (4.57 pm)—Given the time pressures we are working under, I will make some preliminary comments and then I will seek leave to incorporate the rest of my contribution. We are dealing with the Tax Laws Amendment (Simplified GST Accounting) Bill 2007. The bill amends the A New Tax System (Goods and Services Tax) Act 1999 to extend simplified GST accounting methods to more small businesses and other entities with an annual turnover of less than $2 million that make a mix of taxable and GST-free supplies or that acquire a mix of supplies that are taxable and GST free for the suppliers.

Here we are in the year 2007 dealing with yet more amendments to the GST of 1999. Here we are seven years later dealing with amendments to the GST. I recall one particular occasion in the Senate: it was the end of the session and we were discussing the 1,652nd amendment to the GST at 6.30 in the morning. That was about 2½ years ago, and here we are eight years on. Frankly, I have given up counting the number of amendments we have had to make to the GST in this chamber, but it would now be well in excess of 1,700 amendments—so much for the GST’s ‘simplified tax system’!

Labor will be supporting these changes, and I have outlined in the speech that I am having incorporated the reasons why we will do so. Labor has announced and will be putting forward a policy with a much simpler approach for businesses making their superannuation contributions. At the moment, under the so-called choice of fund regime, the Liberal government has imposed a significant new additional form-filling and red-tape regime on employers. There are some 34 complex steps that an employer is required to go through, including passing out forms to employees, collecting the forms, checking them for details and making superannuation contributions to an ever-increasing number of superannuation funds. This is additional red tape imposed by a Liberal government on business.

Labor has announced a policy which will allow, as an option, employers to use a central clearing house to carry out these new red-tape requirements. Labor has announced
that the clearing house will be contracted to a private-sector provider and will effectively transfer all the new red-tape form filling and possible legal liabilities from the employer to the clearing house. This is an example of Labor being proactive in seeking a practical solution to reducing new red-tape burdens on business introduced by this Liberal government. As I said, it will be optional for employers to use the new clearing house, a much simpler method. It has been widely welcomed by employer organisations. The Council of Small Business Organisations, for one, has welcomed Labor’s announcement of a clearing house to handle this new red tape.

Finally, in the context of yet more amendments to the GST, I remind my colleague Senator Murray from the Australian Democrats, who is sitting at the other end of the chamber, that he should bear partial responsibility for this very messy regime. Here we are, Senator Murray, seven years on from the GST, dealing with amendments that you, on behalf of the Democrats, signed up to.

Senator McGauran—The statutes are amended every day in this place. It is not a static book.

Senator SHERRY—It is not a static book? That is the inane interjection from Senator McGauran. I will stop there. I know we are under time pressures—yes, I am getting nods from the whips. I could respond to that interjection from Senator McGauran, but I will not be tempted on this occasion. Here we are, seven years on, dealing with amendments to the GST. Why didn’t you get this right, Senator Murray, on behalf of the Democrats, when you cut that deal with this government to introduce a GST? All these years later we are still cleaning up the mess. As I said, I know there are time pressures, although I have only spoken for five minutes. I seek leave to incorporate the rest of my contribution.

Leave granted.

The remainder of the speech read as follows—

This Bill amends the A New Tax System (Goods and Services Tax) Act 1999 to extend simplified GST accounting methods to more small businesses and to other entities with an annual turnover of less than $2 million that make a mix of taxable and GST-free supplies, or that acquire a mix of supplies that are taxable and GST-free for the suppliers.

Simplified accounting methods provide small businesses with the ability to obtain from the Tax Office a ratio for calculating GST obligations. This assists in reducing the GST compliance costs of small businesses.

Labor supports this Bill to reduce compliance costs for small business. Labor particularly supports it because it in principle implements Labor’s BAS Easy proposal. The government’s Bill is its response to BAS Easy.

This is yet another example of the Government implementing Labor policy. This week we also have the International trade integrity bill implementing Labor’s policy to align the definition of facilitation payment and just last week we had the Treasurer take up Labor’s plans to inquire into petrol prices.

Labor has been calling for a ratio method for mixed businesses for six years. Labor proposed a simple BAS at the 2001 and 2004 elections that used a ratio to calculate GST obligations.

BAS Easy gives all mixed small businesses under the $2 million revenue threshold the capacity to use simplified accounting methods.

BAS Easy was very well received, since GST bookkeeping would be reduced by up to 85 per cent.

The Council of Small Business Organisations of Australia (COSBOA) said: “For all small businesses working under a revenue threshold of $2 million a year the BAS easy system is a simple and practical answer to the current red-tape.

Taking an opt-in approach will allow those businesses that are working with few or no staff to
adopt the new BAS Easy system and save time and effort should they so wish.”

The Bill enables the small businesses to use a simplified GST accounting method and potentially apply a single ratio to their total sales or total purchases. This is the ratio method, or BAS Easy.

The Treasurer has attacked Labor’s ratio method during each of the last two parliamentary terms. He even attacked the policy in an article in the Australian Financial Review on 26 April: “Costello sour on Labor’s BAS sweetener”.

The government voted against BAS Easy in a second reading amendment to the Tax Laws Amendment (Small Business) Bill which read “Whilst not declining to give the bill a second reading, the House calls on the government to implement Labor’s BAS Easy option for simplifying GST bookkeeping requirements on small business with an annual turnover of less than two million dollars.”

Labor Leader Kevin Rudd set the challenge to the government in his National Press Club speech on 17 April to support the recommendation in the Banks Report Rethinking Regulation to increase GST registration from $50,000 to $75,000.

The government responded by agreeing in the Budget to increase the availability of simplified accounting methods and to raise threshold for compulsory GST registration from $50,000 to $75,000.

The GST Act allows the Commissioner to determine simplified accounting methods for:

- retailers that sell both taxable and GST-free food and have an annual turnover is not more than the relevant threshold ($1 million or $2 million, depending on the method used); or
- entities that make supplies that are GST-free under the GST concession for charities.

Currently, the Commissioner can only determine simplified accounting methods for retailers who sell food, or who make supplies that are GST-free under the GST concession for charities. Retailers that sell food include supermarkets, convenience stores, restaurants and cafes.

This Bill extends the range of eligible businesses for whom the Commissioner can determine simplified accounting methods to all small businesses (rather than just retailers) and to other entities (individuals, trusts, partnerships etc) with an annual turnover of less than $2 million that either make mixed supplies or have mixed inputs. The Commissioner can continue to determine simplified accounting methods for retailers and charities.

This constitutes a large broadening of eligibility to simplified accounting methods for GST to all business and entities that deal with GST mixed supplies and inputs with an annual turnover of less than $2 million.

Many businesses buy and sell products that are taxable as well as products that are GST-free. Others buy taxable and GST-free products and sell only taxable products. Accurately identifying and recording GST-free sales separately from those that are taxable can be difficult, which makes accounting for GST complicated.

The Commissioner can currently determine simplified accounting methods for retail businesses that sell food (taxable and non-taxable) to make it easier for them to account for GST. The Commissioner has so far developed five simplified methods to choose from depending on annual turnover, the nature of the business, and the nature of the point-of-sale equipment as set out in an ATO GST guide. These methods are the Business norms method, Stock purchases method, Snapshot method, Sales percentage method and Purchases snapshot method and are set out in ‘simplified GST accounting methods guide’.

Under the business norms method standard percentages are applied to sales and purchases. Under the Stock purchases method businesses take a sample of purchases and use this sample. Under the Snapshot method businesses take a snapshot of sales and purchases and use this. Under the Sales percentage method business work out what percentage of GST-free sales made in a tax period and apply this to purchases. Under the Purchases snapshot method, business take a snapshot of purchases and use this to calculate GST credits.

The methods avoid the need for eligible retailers to identify and separately track GST-free and taxable sales. They will be able to calculate the percentage of their turnover that relates to taxable sales and calculate the GST on that basis.
Currently there are no simplified accounting methods specifically for charities. A retailer is defined as someone who supplies goods. Consequently charitable institutions, trustees of charitable funds and gift deductible entities that make non-commercial supplies of goods may be able to take advantage of the simplified GST methods.

At this point in time the Commissioner has not made a determination about simplified accounting methods for the charitable sector. Negotiations between several larger charities that run family stores or thrift shops and the ATO are currently underway and it is anticipated that a determination on a simplified accounting method for the sector will follow this process.

I am somewhat surprised no methods have been created for charities as the ability for the Tax Office to do so has existed for an number of years. However, there are a range of GST concessions that are available to non-profit organisations.

This Bill, by extending the range of businesses eligible for simplified methods, provides the Commissioner with the power to develop more methods to suit these newly eligible businesses. Eligible small businesses will only be able to approach the Tax Office to seek a ratio.

While Labor is pleased that the Government is implementing this simplification measure. However, the Government needs to do a lot more to ease the regulatory burden on small business.

A special survey on red-tape released by MYOB in January 2007 found that over two-thirds (68 per cent) of the respondents reported the bookkeeping requirements of the BAS as being the most onerous red-tape burden they had to deal with.

The GST has been operating for six years and yet the government has failed to significantly reduce the GST compliance burden on small business. The failure to reduce GST red-tape is part of a wider red-tape problem affecting the economy. Despite the government having committed to a reduction in red-tape of 50 per cent in 1997, the red-tape burden has increased in recent years with the burden falling most heavily on small business, according to the Productivity Commission.

The Audit Office has recently revealed that more than 600,000 small businesses and independent contractors owe in excess of $4 billion in GST to the Tax Office, indicating that small business is still struggling with the GST.

Labor also has a plan to harmonise state and territory legislation through incentive payments similar to the system of competition payments made available to the states by the Commonwealth to implement National Competition Policy reforms.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (5.02 pm)—I thank senators for their contributions to the debate on Tax Laws Amendment (Simplified GST Accounting) Bill 2007. In defence of the government and Senator Murray, I think we ought to remind Senator Sherry of the concept of continuous improvement. That is something that the government believes in, and we will continue to take that concept as one of our tenets. As we see improvements that can be made, we will continue to do that.

As announced in the 2007-08 budget, this bill expands the existing GST simplified accounting arrangements, reducing red tape and compliance costs for Australian small businesses. The Labor Party has claimed that the government is adopting Labor’s policy in this area, and I note that the changes in this bill simply expand on the government’s idea which has been in place since the inception of GST. Since GST began in July 2000, the GST law has enabled the Commissioner of Taxation to offer simplified accounting methods for use by eligible businesses. Over time, the government has expanded the availability of these simplified accounting methods to include a wider range of small businesses. From 1 July 2007 the simplified accounting methods will be available for businesses or entities such as charities that have an annual turnover of less than $2 million and either make a mix of taxable and
GST-free supplies or have acquisitions of taxable supplies and GST-free supplies.

The government recognises that small businesses make a substantial contribution to our economy and to Australia and that they are a vital source of jobs, exports and innovation. The measure in this bill is part of the government’s commitment to helping the small business sector. The government has significantly reduced business compliance costs, including the costs of complying with their GST obligations. In particular, some of the types of businesses that are expected to benefit from this initiative include small businesses that export goods or services, optometrists, retirement village operators, childcare operators, chemists, educational institutions, travel agents and health retailers. This bill implements positive improvements to Australia’s taxation system and 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.

FISHERIES LEGISLATION AMENDMENT BILL 2007

FISHERIES LEVY AMENDMENT BILL 2007

Second Reading

Debate resumed from 13 June, on motion by Senator Colbeck:

That these bills be now read a second time.

(Quorum formed)

Senator O’BRIEN (Tasmania) (5.08 pm)—There are two pieces of legislation before the chamber, the Fisheries Legislation Amendment Bill 2007 and the Fisheries Levy Amendment Bill 2007. We will be supporting these bills, not because we have a view that this government has a great record in the management of fisheries—in fact, we believe that this government has the worst record in the mismanagement of fisheries of any Australian government. This was confirmed in the recent Bureau of Rural Science Fishery Status Reports 2005, which concluded that the number of fisheries classified as overfished or subject to overfishing rose from four when this government took office in 1997 to 24 in 2005. In November 2005 this record of mismanagement culminated in the government announcing the latest restructure of Commonwealth managed fisheries in Australia’s history, with $150 million allocated to buy back commercial fishing licences and a further $70 million in complementary assistance.

The former minister, Senator Ian Macdonald, was sacked due to incompetence, and the government was forced to impose a raft of tough new policy measures on fishery management agencies, particularly AFMA. Soon after, the government flagged a major restructure of AFMA, and the package of changes announced is the government’s legislative response to the policy announcements made back in 2005 and subsequently in part. At the same time, the government has presided over major failings in fisheries compliance and enforcement, in relation to both domestic fishery and illegal foreign fishing vessels. Frankly, the government took its eye off the growing problem of illegal foreign fishing in Australia’s north and south, forcing it into a panicky policy response and throwing hundreds of millions of taxpayers’ dollars into an illegal foreign fishing crackdown. However, at the same time the government has allowed significant underspending in domestic compliance. All this while there was a growing and dramatic increase in the number of overfished fish species.

This record of mismanagement has angered Australia’s fishing industry and has generated unprecedented concern in the
community about the status of Australia’s fisheries, resources and oceans. Many fishermen feel vilified and victimised by harsh government policy, which has been developed and implemented in an atmosphere of crisis and panic due to a decade of mismanagement. This government has run out of ideas for assisting the local seafood industry and it is not interested in addressing the unfair playing field for local seafood producers.

There are eight major failings of this government, but one failing that ought to be highlighted is the campaign being run about dodgy prawns. This horrifies the Australian industry, but Minister Abetz is completely incapable of convincing his ministerial colleague Mr Downer that the very poisonous campaign that is being run on the television and in the print media is damaging the Australian prawn industry. Indeed, it is clear that the Department of Foreign Affairs well knew that the campaign would attract interest to the problems that might be occasioned by eating a prawn and would well have known that, whilst the stated intention was to do with consuming seafood overseas and the need for health insurance, the spin-off for the Australian industry was palpable. That is the view of the industry. So that is another shot in the eye for the industry from this government.

This is a government that has failed to protect Australia’s seafood industry from exotic diseases, and one only has to refer officials from Biosecurity Australia being reported as saying that disease such as white spot virus could devastate Australia’s prawn industry. In November last year, Minister Abetz promised a crackdown on the importation of uncooked prawns, but there has been no action—nothing has happened. We are nearly halfway through the year and the government still allows diseased imported prawns to enter Australia. This represents another direct threat to the disease-free status of the $450 million Australian prawn industry.

The government has an appalling record on seafood labelling. Every hard-working seafood producer in Australia knows the story: importers are allowed to bring in seafood from farms in Asia, these are on-sold as premium products by some unscrupulous retailers and in many cases cheap imports are falsely labelled as a premium local Australian product. The government was alerted to this emerging problem in the late 90s and has done nothing about it. Only recently has it moved to introduce country-of-origin labelling on imported seafood products, and the government only acted after it was embarrassed by a massive public campaign by the seafood industry. The government has also failed to respond to the longstanding concerns of local seafood producers about the lack of a level playing field with imported products. The Australian industry is required to meet some of the highest standards in the world for food safety quarantine and environmental protection, and these requirements impose significant costs on the local industry. Most local producers are happy to meet them; however, no such requirement exists for imported seafood products. Seafood importers are not required to meet the same benchmarks as those imposed on our local industries, and this creates a very unfair trading environment where Australian law imposes a significant cost on local producers yet allows a vast amount of imported product which does not meet the same standards as domestic producers. Frankly, it is a large part of the reason why the balance of trade in seafood products has been steadily growing in favour of imports and why these seafood imports can arrive in Australia at such a low cost.

The government, as I said, has failed to manage fish stocks. As I outlined earlier, the government recognised its own inadequate
management of Commonwealth fisheries back in December 2005 when the then minis-
ter, Senator Ian Macdonald, announced a
$220 million package called Securing our
Fishing Future. At the time he said:

The Australian Government has made it very
clear that it wishes AFMA to accelerate its current
programs to prevent overfishing, rebuild over-
fished stocks, and to take a more strategic ap-
proach to setting catch limits in future. The mes-
sage from the Australian Government is clear:
overfishing in Commonwealth fisheries is unac-
ceptable and if you think you can’t operate in that
environment you should consider applying for the
buyout.

Put this into context: this announcement was
an admission by the government that it had
failed to prevent overfishing. It was a pan-
icked response to a serious situation where the
very survival of some of Australia’s most
important fish species was at threat, as was
the survival of the fishing businesses that
depended on them. Earlier this year, the Bu-
reau of Rural Sciences released its Fishery
Status Reports 2005. That is an important
paper. It shows that 24 of 83 species assessed
are classified as ‘overfished’ and/or ‘subject
to overfishing’. This is up from four when
the Howard government was elected. Of the
remaining species, 40 are classified as ‘un-
certain’. This means that almost half of the
surveyed stocks might be overfished but the
government does not know because it has not
gathered enough information. Of the remain-
ing species identified only 19 are classified
as ‘not overfished’.

The $220 million buyout package is the
government’s attempt to fix the mess that has
been created on its watch. Fishing families
and onshore businesses have been badly im-
pacted by the government’s poor fisheries
management. According to the recent budget
papers, nearly $27 million of the fisheries
restructure package remained unspent this
financial year and has been rolled over into
the coming financial year.

In terms of illegal fishing, I am still wait-
ing for the minister to correct the record
from an answer he gave, because I have
asked many questions about this in esti-
mates—indeed, 61 in the February round, I
think. I asked the minister in the last esti-
mates to explain why the government had
reduced its fisheries enforcement spending in
the face of worrying statistics about an in-
crease in the occurrence of breaches of fish-
ery law under current inspections. The minis-
ter said:

Look, there are undoubtedly a whole host of rea-
sons AFMA have indicated to you. I have not
heard any complaints from the fishing sector that
AFMA have been too soft or not pursuing inves-
tigations or prosecutions with sufficient rigour.

I will say this: despite the 15.6 per cent in-
crease in the number of offences detected, the
government underspent the enforcement
budget every year since 2002. What does that
say about a commitment to monitoring the
industry?

It is certainly the case that there has been
a lot of comment about illegal foreign fish-
ing. The government has of late thrown re-
sources towards that. The jury is still out as
to whether the reduction is due to the fact
that some of the species fished are so over-
fished that some fishermen are not coming
and others are moving closer to the Aus-
tralian coast to catch fish, in particular the
sharks that are being targeted in northern
Australian waters.

The opposition really does think that it is
time for the government to accept respon-
sibility for its failures. We support the legisla-
tive measures that this bill takes in relation to
the Torres Strait fishery and the joint pro-
tected zone. We did receive some indica-
tions, when the legislation was introduced,
that some measures were not satisfactory to
the communities from the Torres Strait because of their desire to have more control over the fishery in their waters. Those concerns have apparently been addressed in recent times, because we have been advised by the Torres Strait fishery representatives that they are happy for this legislation to pass in the form in which it has been presented to the parliament.

There was a matter that I think has been referred to in the most recent Scrutiny of Bills Committee report. That report, I believe, deals with a problem in terms of the standard of proof required for the prosecution of certain offences. I think we need a very short committee stage to have an explanation from the minister as to how this scheme will work, given that, at the time the Senate committee looked at this matter, we were not made aware of the problems that were arising in the Scrutiny of Bills Committee. I think we need to have something on the record here about that.

Senator McGAURAN (Victoria) (5.20 pm)—I seek leave to incorporate Senator Ian Macdonald’s speech on these bills.

Leave granted.

Senator IAN MACDONALD (Queensland) (5.20 pm)—The incorporated speech read as follows—

I wanted to say a few words about this Bill and the Associated Bill and to commend its passage to the Senate.

I thank the other parties in the Senate for allowing me to incorporate this speech because of my absence from Parliament on the day that it is being debated.

The Bill covers a number of areas of Fisheries Management which I am very pleased to see eventually get to Parliament to become law. All of these particular initiatives are needed to allow Australia to continue to demonstrate world leadership in Fisheries Management and enforcement.

All of the various elements of the Bill have been under consideration for a number of years and I am pleased to have played a part in initiating these amendments during my time as the Minister for Fisheries.

Whilst the broad thrust has been determined for some time, I congratulate the Minister, Senator Abetz, on putting the finishing touches to the Legislation and in guiding the Bill through the Government’s Legislative processes and in successfully completing the wide consultation that is needed to fine-tune Legislation that is brought before the House.

This Amendment Bill firstly deals with some governance arrangements necessary in view of the Government’s decision to establish the Australian Fisheries Management Authority as a Commission on 1st July 2008. The Bill allows Director’s terms to be extended to allow Directors of AFMA to be appointed for up to 9 months at a time without going through the selection process with a view to ensuring a smooth changeover from an Authority to the Commission.

In passing I might mention that prior to my leaving the role as Minister, I had not been convinced that changing the Authority to a Commission served any particular purpose or was useful in Fisheries Management but obviously in the past 18 months it has become clear that the new arrangement would best serve the management of Australia’s fisheries. Without changing my personal opinion, I accept the Government’s view that this is necessary and accordingly support the variation.

This Bill contains as well amendments to the Fisheries Management Act making it easier to prosecute foreign fishing boats operating illegally within Australia’s 12 nautical mile territorial sea. The Explanatory Memorandum and the Second Reading Speech give the reasons for this.

Suffice it for me to say that I strongly support the strict liability element of the Bill which will enable the Authorities to better prosecute those who commit offences against Australian Laws.

The new provisions relating to forfeiture are I think appropriate and have been brought about by a number of difficulties experienced by the prosecuting authorities in recent years.

The Legislation as amended is very tough and Australia should make no apologies for having
some of the toughest Fishing Legislation in the world. We are serious about maintaining our fish stocks in a sustainable way and offenders should have all the legal technicalities and niceties that they sometimes use to avoid conviction taken away from them.

The successful conclusion of the prosecutions against the Taruman should not obviate the necessity to make rules on forfeiture stricter. The difficulties the Government went through in relation to prosecutions of both the Volga and the Viassa also require that amendments are passed to tilt the balance in favour of maintaining our laws.

Over the four years of my term as Fisheries Minister, I had a very close association with the Torres Strait people and the fishing industry in the Torres Strait.

The amendments in this Bill are the result of painstaking negotiations over many years with the Torres Strait people and the fishing industry in the Torres Strait.

The amendments in this Bill are the result of painstaking negotiations over many years with the Torres Strait people and the Torres Strait Regional Authority facilitated by the Protected Zone Joint Authority of which the Commonwealth Minister, the Queensland Minister and the Chair of the Torres Strait Regional Authority are the members.

The amendments will lead to better administration of fisheries in the Torres Strait but more importantly will place the Torres Strait people in a position where they can become productively and profitably involved in the fisheries industries in the Strait.

Commercial fishing is the primary source of non-Government economic activity in the Torres Strait and it is essential that the Australian Government works with the Torres Strait Islanders to properly manage these fisheries in a sustainable way into the future.

Finally the Bill in Schedule 4 deals with Amendments to the Surveillance Devices Act in a way that ensures that new offences can be effectively investigated and prosecuted using surveillance devices thereby overcoming current impediments to prosecuting the new offences.

Overall the amendments to the Fisheries Management Act do increase the ability of Australian Authorities to better manage and enforce our Fisheries Management regimes particularly in respect to foreign boats operating in Australian waters.

These amendments place additional onus on Masters and owners of foreign boats to demonstrate that they are operating lawfully and also increase the ability of the Commonwealth to confiscate offenders vessels and contents of those vessels.

In relation to the Torres Strait, these reforms will, I believe, lead to a better management of the fisheries and brings to fruition difficult, but in the end I believe wise, negotiations that will achieve better outcomes for the fisheries and people of the Torres Strait.

Senator KIRK (South Australia) (5.20 pm)—I seek leave to incorporate the speech of Senator Sterle for these bills.

Leave granted.

Senator STERLE (Western Australia) (5.20 pm)—The incorporated speech read as follows—

Mr President, Senator O’Brien has outlined in great detail Labor’s position on the Fisheries Legislation Amendment Bill 2007.

As a Senator from Western Australia, which has a vast coastline, subject to encroachment from illegal fishers, I rise to make just a few brief comments on this Bill.

As part of my parliamentary duties I have been in close contact with key stakeholders in the Australian fishing industry.

They have included, representatives of the Australian commercial fishing sector, members of remote Indigenous fishing communities who rely on fishing for their economic sustainability—like the community of One Arm Point and Government officials engaged in monitoring and managing fishing stocks and border control matters.

These contacts have given me insight into the damaging impact on Australian fisheries from the peril that is foreign illegal fishing.

This Bill primarily focuses on amending the Torres Strait Fisheries Act 1984 to ensure that Torres Strait fisheries can be managed consistent with contemporary Australian Government fisheries policy.

The Bill also includes extensive technical and other amendments to the Fisheries Management

The amendments to these later Acts will of course apply to the management of foreign illegal fishing and border control measures along Western Australia’s coastline.

As an initial comment it strikes me as rather odd that it has taken so long for these amendments to be made to Australia’s obviously defective fisheries and border control laws.

The problem of foreign illegal fishing and the control of Australia’s northern coastline is not a new issue. The tardiness of the Howard Government’s action is just another sign that the northern parts of Australia often get scant attention from the CBD centric Leadership.

So, here we go again. We are dealing with a problem not only after the horse has bolted but when it is well and truly out of the paddock.

Prosecuting authorities are encountering significant hurdles to achieve successful prosecution of illegal foreign fishers found in Australian waters.

Further, existing legislation often puts in doubt the legal position in regard to the confiscation of fishing equipment found on illegal foreign fishing vessels in Australian waters.

It has therefore been necessary for some time to bring forward extensive amendments to fisheries and border control legislation yet the Howard Government have dragged their feet.

Federal Labor inquired extensively into the issue of illegal foreign fishing in 2006 and publicly released a report addressing the key issues.

The consensus within the fishing industry at that time was that the Howard Government had failed their industry and in a majority of cases, family businesses were being destroyed by illegal foreign fishing.

Throughout the country, the industry told Labor that it had tried for many years to play its part in the containment of illegal fishing by regularly reporting sightings of illegal boats, but the lack of feedback or action by the Howard Government had left the industry feeling that the authorities no longer cared.

The industry also raised the impossibility of managing a fishery in a sustainable way when the size of the illegal catch is unknown and control over the illegal catch is non-existent.

While there appears to have been a lull in foreign illegal fishing apprehensions since a run of them last year, this problem has not gone away.

We know that there continues to be a ramping up of the sophistication of foreign illegal fishing operations world-wide.

In the vicinity of Western Australia for example, there is still concern among legitimate commercial fishers about illegal fishing activities in the area known as the MOU box.

The MOU box relates to an undertaking entered into in 1974 between Australia and Indonesia to permit Indonesian traditional fisherman access to a box shaped area in the locality of the Ashmore Islands, Scott Reef and Browse Reed within Australia’s exclusive economic zone.

The current concerns are that not only have foreign illegal fisherman been encroaching into the MOU box using sophisticated fishing equipment but they are also using the MOU box to make forays into the adjoining Australian fisheries zone.

This activity is contributing to the decimation of the important shark fishery in Australian waters off the far North West of Western Australia.

There continues to be a large shortfall in the Government’s response to foreign illegal fishing and border control in Northern Australia.

Labor believes that a successful approach to halting illegal fishing requires a national strategy which is built around a high level of co-operation between all levels of Government, agencies and stakeholders.

Now we will hear from those across the chamber that this is not true, “we’ve done this” and “we’ve done that”.

Mr President, it’s all smoke and mirrors.

At Senate Estimates hearings in May this year Senator O’Brien, questioned Senator Abetz on why the Government had reduced it’s fisheries enforcement spending.

At the same time as there had been a 16% reduction in spending on domestic fisheries enforcement, the AFMA reported that the number of “overfished” fisheries was on the rise.
Senator Abetz responded and I quote:

“Look, there undoubtedly are a whole host of reasons as AFMA have indicated…I haven’t heard any complaints from the fishing sector that AFMA were being too soft or not pursuing investigations or prosecutions with sufficient rigour…”

I wonder whether the State Ministers for fisheries would have the same off-hand view about the AFMA’s statistics on the state of Australia’s declining fish stocks due to overfishing?

Somehow I don’t think they would.

I suspect Senator Abetz hasn’t heard any complaints because he has simply chosen not to listen.

This sounds like the Howard Government has lapsed back into its complacent attitude about the state of the Australian fishing industry that has been a trade mark for 11 years.

Because of the Howard Government’s ongoing neglect of the relationship between the different jurisdictional fishing authorities—they have severely hampered the effectiveness of Australia’s efforts.

This Bill provides for greater capacity for the Australian Fisheries Management Authority (AFMA) to collect information.

The amendments also provide for regulations to be made to cover the details of the sharing of information collected by AFMA.

However, the AFMA will have delegation in respect to who it is willing to share this information with.

There is no indication at this stage that the AFMA intends to enter into formal undertakings with state fisheries authorities for mutual exchange of vital information on illegal fisheries and fisheries management. And without this, many of the existing problems will not be addressed properly.

The Western Australian Minister for Fisheries, has advised me that albeit that the wider collection of information by the AFMA is welcomed, he has serious concern about the state’s access to this information.

The fear is, and I suspect other states will have similar misgivings, that the security classification placed on this information by the AFMA and the manner in which the decisions are made about the dissemination of the information may preclude it being available to other jurisdictions.

Mr President, I would like to make some comment on the Government’s plan to establish the AFMA as a commission, which is not part of this Bill but is nonetheless relevant to this debate.

Mr President, I am concerned that with the establishment of a fisheries commission this could lead to increased separation between the state and commonwealth jurisdictions in respect of fisheries management, which would be a step backwards.

I would therefore be very appreciative if the Minister could, as part of this debate, give an assurance that the creation of the commission will in fact improve communications.

Mr President, the management of fisheries in this country is the responsibility of both State and Federal Governments.

This responsibility can only be effectively met however, if there is untrammelled co-operation between all jurisdictions.

These are uncertain times for the sustainability of our fishing stocks and fishing industry, and it is crucial that foreign fishers who illegally enter Australian waters be caught.

Thank you.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (5.20 pm)—I thank those senators who have incorporated their speeches, because those who are listening might be interested to know that we have a very heavy schedule of legislation to get through still today. Therefore, those senators’ cooperation in that regard is particularly appreciated, especially wearing my hat as Manager of Government Business in the Senate. So thank you for that.

The fishing industry is one of Australia’s most valuable rural industries, with a value of over $2 billion per annum, of which approximately $1.5 billion is exported. The Australian government is committed to ensuring the sustainable management of these resources into the future and these bills form
an important step in furthering this goal. The passage of the bills will ensure that the Australian government is equipped with modern fisheries management tools and more robust enforcement, compliance and administrative systems to secure sustainable fisheries for future generations.

The main reforms being implemented introduce modern fisheries management measures in the Torres Strait fisheries. This will better position Australia to meet its rights and obligations under the Torres Strait treaty with Papua New Guinea. The bills are the product of extensive consultation with industry and Torres Strait communities. As Parliamentary Secretary Ley informed the House of Representatives when she introduced the bills, commercial fishing is a key economic activity for Torres Strait communities. This legislation will facilitate the resolution of longstanding concerns held by Torres Strait Islanders about resource allocation in the Torres Strait Protected Zone fisheries. It will enable the PZJA to establish management plans under which all parties have a clear understanding of their access rights.

Provisions of this legislation affecting the Torres Strait Protected Zone fisheries were drafted after an extensive process of consultation with all of those with an interest in the Torres Strait Protected Zone fisheries. This included the provision of comprehensive information to Torres Strait islanders, especially those who hold a licence to fish for commercial purposes and their representatives on the Community Fishers Group, Torres Strait native title prescribed bodies corporate, including relevant entities in the northern Cape York area, and non-Indigenous commercial fishers and their representatives.

These bills were developed after considerable consultation and input from the Queensland Department of Primary Industries and Fisheries and I want to thank my Queensland counterpart, Mr Mulherin. The Queensland department administers various aspects of the Torres Strait Fisheries Act on behalf of the Torres Strait Protected Zone Joint Authority. The Queensland minister is a member of the PZJA and, as chairman of the PZJA, I value the relationship with Queensland and the Torres Strait Regional Authority. I am grateful for the cooperative relationship that exists between Queensland and the Australian government on matters that affect the Torres Strait Protected Zone fisheries and for the considerable input Queensland has made in ensuring these bills will meet management requirements into the future.

My counterpart, Senator O’Brien, has raised a whole host of questions and issues that I will not seek to engage in completely. Suffice it to say, I invite Senator O’Brien to look at the latest Bureau of Rural Sciences report when it comes out in about a month’s time. All I will say on the issue of overfishing is: watch this space. We have been dealing with it very carefully. In relation to the rolling over of the funds of the Securing our Fishing Future package, that was an unprecedented $220 million package sought by industry, developed with industry, rolled out for industry and fully supported by industry. The rollover of funds was at the request of industry. Senator O’Brien seeks to criticise us for doing that. That is a criticism that I am more than willing to wear and I am more than willing to circulate that criticism of the government to the industry sector because they will be very pleased to know that we have in fact acted on their requests.

On the issue of overfishing, I will mention only one example because I know the time constraints that are on us. If this government is to be criticised for overfishing, Senator O’Brien might like to explain why, in one single year under the previous Labor government, 62,658 tonnes of orange roughy were removed from the oceans, which is...
more than the totality of orange roughy fished in the 10 to 11 years of the Howard government. That was at a time when the minister had direct control and we did not have an Australian Fisheries Management Authority. I think it is very unwise of Senator O’Brien to seek to make cheap political point when the facts are so stacked against the way the previous Labor government administered fisheries. We now have a ministerial direction as a result of the good work of my colleague and predecessor, who has incorporated a speech, Senator Ian Macdonald. He did a fantastic job—

Senator O’Brien—Then why did he get sacked?

Senator ABETZ—in getting the $220 million together for industry as well. I want to take this opportunity to salute Senator Macdonald’s contribution and to completely reject the sort of comments that are made by Senator O’Brien. I commend the bills to the Senate.

Question agreed to.

In Committee

Bills—by leave—taken as a whole.

Senator O’BRIEN (Tasmania) (5.27 pm)—Thank you for the opportunity to raise the issue which I was not aware of during the committee hearing. The issue is the strict liability in item 5 and item 7 of schedule 2 of the bill. Quoting from the seventh report of 2007 of the Senate Standing Committee for the Scrutiny of Bills, under the heading of the provision I am referring to:

Proposed new subsection 100B(1A) of the Fisheries Management Act 1991, to be inserted by item 5 of Schedule 2, and proposed new subsection 101AA(1A) of the same Act, to be inserted by item 7 of Schedule 2, apply strict criminal liability to the element of the location of a foreign fishing boat in the Australian Fishing Zone, contained in the offences in sections 100B and 101AA of that Act. The result of these proposed amendments is that, in a prosecution under either of those sections, the prosecution will only have to establish that fishers were in the territorial sea of Australia, not that they intended to be in such waters. The justification for imposing strict liability provided in the explanatory memorandum is that the ‘Commonwealth Director of Public Prosecutions has not been able to prosecute people for these offences because there have been difficulties collecting sufficient evidence to prove that the people intended to be in the territorial sea.’

After receiving a response to that from the minister, the committee said:

The Committee thanks the Minister for this response but remains concerned about the fairness of applying strict liability to the element of the location of a foreign fishing boat in the territorial sea of Australia when ‘the territorial sea is not generally depicted on Australian charts or charts issued under other jurisdictions’, thus making it virtually impossible for a foreign fishing boat to know whether or not it has entered the territorial sea. The Committee, according to its usual practice, leaves it for the Senate as a whole to determine whether these provisions unduly trespass on personal rights and liberties.

It does seem difficult to justify a prosecution where, if this is correct, the territorial sea is not generally depicted on Australian charts or charts issued under other jurisdictions. It is like being caught trespassing on property when you have been sent walking with a blindfold on and have no idea where you are. How would the minister justify the imposition of a penalty on someone who, according to charts, could not know where they were?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (5.30 pm)—Yes, I have seen the report of the Scrutiny of Bills Committee and it expressed concern about the application of strict liability to the territorial sea element of certain foreign fishing offences and the potential to unduly trespass on personal rights and liberties. There are also rights that Australia has
to defend its territory and its waters. Without going into a whole treatise in relation to this, there is UNCLOS—the United Nations Convention on the Law of the Sea—which does not allow us to jail people in relation to offences committed from the 200 nautical mile zone all the way through into the 12 nautical mile zone. So these fishermen, by the time they stumble across the 12 nautical mile border, will have penetrated and abused our territorial waters for 188 nautical miles.

We did try the legislation without this strict liability and we came up with advice that said it would be not be possible to allay prosecutions because it would be difficult to prove that they knew about the 12 nautical mile boundary. I have said before that I think there are deficiencies in UNCLOS—the United Nations Convention on the Law of the Sea—but, having said that, we are very serious about protecting our borders. We believe that when you come that close to the Australian shore, undertaking illegal conduct on many occasions having travelled 188 nautical miles, then tough action is required.

The only part of the offence where strict liability will apply is that the persons were in Australian territorial waters. The bill does not alter the other elements of the offence provisions with the overall offence remaining one in which fault must be proven. These amendments complement the Australian government’s strong commitment to border protection. We as a government have engaged with Indonesian authorities and individual fishing communities and conducted education and awareness campaigns about the consequences of fishing illegally in Australian waters. Indonesian fishing communities have been informed about the custodial offence provisions in the Australian waters and have been provided maps in language which clearly states where fishers can fish and the extent of the Australian fishing zone. The strict liability provisions, as they affect illegal foreign incursions, are required to ensure that Australia can prosecute and imprison persons guilty of committing a foreign fishing offence in Australia’s territorial seas.

I hope that this provision never needs to be invoked and I publicly thank the people of Customs, the Navy and the Australian Fisheries Management Authority for the wonderful work they are doing, through border protection, in keeping out illegal foreign fishers. In fact, more and more often we are capturing them near the 200 nautical mile zone rather than close into shore. In fact, I understand there have been no reported cases of illegal fishermen coming onshore in the last 12 months. Those sorts of figures are good, but we still want a robust system in place to protect our fisheries and, more importantly, our biosecurity.

**Senator Murray (Western Australia)** (5.34 pm)—For the purposes of this inquiry we should not get distracted as to the merits or not of liability provisions. The issue is primarily that some charts apparently do not show the nautical mile boundaries—200 miles and the 12 miles. Through the chair, Minister, I have got absolutely no idea whether the charts do or do not, but it would obviously be an act of fairness for charts to be issued which do show those boundaries. If it is possible, I make a request to the minister to investigate that matter and, if we are able to address that over time, I think we should.

**Senator O’Brien (Tasmania)** (5.35 pm)—The only other matter in the same report was the reference to non-reviewable decisions in schedule 3, item 180. The report says:

… proposed new subsection 26(5) of the Torres Strait Fisheries Act 1984, to be inserted by Item 160 of Schedule 3, would grant the Minister a discretion to cancel or suspend a person’s commercial fishing licence if either of two conditions specified in the proposed subsection is satisfied.
there does not appear to be any provision for the holder of a licence to seek merits review of the exercise of the Minister’s discretion under the Administrative Tribunals Act 1975.

Is that correct? Is that the intention of the legislation and, if so, why?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (5.35 pm)—We are conducting a broader review and we hope to have an answer in relation to those matters relatively soon.

Senator Murray—Could you answer me as well?

Senator ABETZ—As I understand it, maps are produced in relation to the Australian economic zone, the 200 nautical mile zone. I understand that most maps do not have the 12-mile territorial sea or the three nautical miles, which is the state jurisdiction. But, without making any promises, I will pass on that suggestion because, if we are in the business of creating maps, it should not be too difficult to seek to incorporate something in the next round.

Bills agreed to.

Bills reported without amendment or request; report adopted.

Third Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (5.37 pm)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

Debate resumed from 14 June, on motion by Senator Brandis:

That these bills be now read a second time.

Senator SHERRY (Tasmania) (5.37 pm)—We are dealing with the Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007 and associated bills. They represent some minor ad hoc changes, but, to the extent that they are regulatory reforms that reduce in a small way the red-tape burden facing Australian consumers and Australian business, particularly financial services business, Labor supports them. I would emphasise that these additional red-tape requirements on business were introduced by this government, and it is in the process of rolling them back. So Labor will support the package without amendment. The package includes changes to corporations regulation in the area of financial services, company reporting obligations, auditor independence, corporate governance, fundraising, takeovers and compliance and some other initiatives.

This bill will reduce some of the regulatory burden on providers of financial services. It will increase access to financial advice in some limited areas and will make improvements to other aspects of the financial services regulatory framework. The changes include removing the need for the provision of a statement of advice, the so-called SOA, when there is no recommendation in relation to a particular financial product and no remuneration and, secondly, where the amount to which the advice relates...
is under the prescribed threshold, proposed to be $15,000. In relation to superannuation, this will be limited to consolidation into or supplementation of an existing account; refining the circumstances where a financial services guide is not required to be provided, particularly at seminars; and some other measures in respect of the disclosure documentation issued under the Financial Services Reform Act.

This is the major area of contention in our financial services sector. What we have seen in the last three years is the issuing of disclosure documents by financial services institutions that vary in size but are generally from 50 to 100 pages. They are costly, complex and unreadable for most consumers. In addition, they have imposed an estimated additional cost, which is inevitably passed on to consumers, of some $200 million. I have been a longstanding critic of this approach. The Liberal government philosophy of protecting consumers is based on two approaches: firstly, you disclose in order to protect; and, secondly, you educate consumers. I must say that I am a sceptic of this approach. The Liberal government philosophy of protecting consumers is based on two approaches: firstly, you disclose in order to protect; and, secondly, you educate consumers. I must say that I am a sceptic of this approach. The one thing I can say is that there is overwhelming agreement in the financial services industry that the document being issued is a total dud when it comes to informing consumers. Only this government could believe that consumers would be informed by a 50- to 100-page document, and only this government could believe that that will protect consumers. That is why it is a total dud. It is on the record that the Labor Party has constantly outlined its concerns about this approach. It does not work.

Labor have announced policy that we intend to go through with, and we will apply the chainsaw to this disclosure documentation. Labor have announced policy that we will introduce in simple, standard, readable base documents incorporated in regulation of no more than three to four pages. If consumers, by request, wish to receive the more complex documents, that option will be available to them. What is the sense of issuing complex documents when consumers generally find them very difficult to read? They do not provide protection in any sense.

The measures in the bill represent the second attempt—so-called ‘refinements’. You always know when the government have got it wrong—they announce a ‘refinement’; refine this, refine that. They do not want to admit they got it wrong, so they issue a set of refinements. This is the second lot of refinements, and there are more coming. It is a piecemeal approach to attempt to improve the disclosure regime. The measures in the bill represent a partial reduction on the expansion of the lengthy documentation under this Liberal government. Labor support the measures as far as they go, but we will be much tougher in terms of a reduction in these basic documents.

What is concerning about the reforms is that the government appears to regard them as a stopgap measure. Why is it taking this approach? Well, we are only a few months out from the election. The government at least has received the signals loud and clear from consumer organisations and the financial services sector that these documents are doing more harm than good, so it has rushed in with a piecemeal set of measures—and there are more on the way—so as to be seen to be doing something, anything, about the problem. I do read the press releases of the Treasurer, the Assistant Treasurer and the parliamentary secretary. I must say I gave a wry smile when I read the heading of the parliamentary secretary’s press release in respect of this set of legislation. It read: ‘Pearce delivers consumer benefits and drives reduction in red tape’ and ‘Pearce continues delivering reductions in the red-tape burden’. It is a red-tape burden that this gov-
ernment introduced, and it is rolling it back in some limited ways.

My trusty adviser has just brought into the chamber a copy of these product disclosure documents. This one is typical of a product disclosure document in the area of financial services that is given to consumers. It is just incredible. This product disclosure statement is 74 pages long, and this is pretty typical of what consumers are being issued with. They are supposed to read and understand these statements to make an informed decision about financial services. This is the basis of the protection of consumers in our financial system. I certainly cannot understand a lot of the material in this particular document, and I do follow these issues a little more than most. Yet this is the sort of document presented. Here is another one which we have printed off the web. This one is 57 pages long. When you read these documents and attempt to understand them you ask: how on earth can the average consumer understand this sort of material?

We have the parliamentary secretary putting out a press release with the heading ‘Pearce delivers major insolvency law reform’. The government are partially correcting a red-tape burden of their own creation. They were warned. They were not just warned by me three or four years ago when we started to see these documents; they have been warned by the industry and by consumer groups that these documents are not providing the fundamental protection that is required. The parliamentary secretary talked about these so-called achievements, as represented by legislation, in his press release. Every time we get a new parliamentary secretary or assistant treasurer we get another set of refinements and another set of claims about reducing red tape.

The legislation we are considering was considered by the Parliamentary Joint Committee on Corporations and Financial Services. We had some seven or eight financial services organisations attend that committee hearing. What is clear from the submission presented by the Treasury, for example, is that this is a very ad hoc approach because there are further changes to come. I do not believe that they will address the problem, but there are a few further changes to come. So we are going to get yet another set of legislative changes sometime in the future—if the government is re-elected then it will probably be in the early part of next year—to again try to deal with some of these regulatory red-tape issues. So what will happen, of course, is that the legislation we are dealing with will pass the Senate and new regulations will be issued. Compliance officer is probably the fastest-growing occupation in the financial services sector at the moment. And is it any wonder? The compliance officers in financial institutions will get the regulations in the new legislation and they will adjust their processes. They will study what is required in the law and they will print new forms and new information. Then they will have to do it all over again next year when they get yet another set of so-called refinements. Treasury will be finalising some consultations in some other areas that are not dealt with in this particular legislation. In terms of the proposals presented here, as far as they go they seem okay.

We had the Australian Institute of Superannuation Trustees, IFSA and the Australian Bankers Association appear at the committee inquiry. When those various financial services organisations were questioned they all made the point that they believed this would increase efficiency and reduce red tape. That is a great claim to make, and it is generally correct. I then asked them: in what way would it reduce cost? I asked that because it is the increasing cost of this ineffective disclosure regime that we should be particularly
concerned about. They were not able to identify any specific cost reductions even though they believed there would be greater efficiency and less paperwork. I also pressed them on the question of whether it would reduce price—because, at the end of the day, we have in some sections of our financial services sector very costly areas of operation.

What Labor wants to see is not only an improvement in efficiency and a reduction in cost but also a reduction in price to the consumer. I was disappointed that the representatives of industry, whom I have great respect for and whom I have worked with over many years, were unable to give an assurance that the cost to the consumer would decrease. If you argue that the bills represent increased efficiency and that there will be a reduction in cost then logically there should be a reduction in price for the Australian consumer. That assurance was not forthcoming. As I say, in general the bills do represent some progress toward simplifying some elements of our complex financial regulatory system.

There is one area in which I was particularly disappointed that greater work had not been done, and that is the provision of what is called limited advice within a product. If a consumer seeks advice about one aspect of a particular financial product, it is difficult under the Financial Services Reform Act to provide that without the issuing of lengthy, complex documents. I think much greater work could have been done in this area of provision of limited advice, rather than having a system that effectively forces the issuing of extraordinarily complex documents. In some ways this forces overservicing. For example, a person may simply want advice about their level of life insurance or death and disability insurance. I can compare this to going to a doctor for a particular ailment—it might be a cold—and the law effectively forcing the medical practitioner to give you a total health check and a range of prescriptions for everything that may go wrong in your entire life insofar as your health is concerned. You have actually gone there just to get some medical advice and treatment for your cold or flu. That is what we have ended up with in financial services in this country. As I have indicated, the Treasury submission indicates that there will be further piecemeal reform. Another example is that the Treasury were unable to come to a conclusion around the matter of sales recommendation. The Treasury submission itself says, ‘This matter will be the subject of ongoing development for possible inclusion in a future legislative vehicle.’

Another issue that I think concerned all members of the committee, and certainly concerned Labor, was that the regulations were not available. There are some important issues around consumer protection that we have been assured will be included in the regulations. Section 947D, we understand, will be provided for in the regulations to ensure that we do not have abuse of some of the changes that are being proposed. But those regulations are not available. This is particularly important when it comes to ensuring ongoing surveillance of, response to and corrective action for what is known as mis-selling. We understand that section 947D will be maintained, but we do not have the regulations. They have not been issued and yet they contain critical elements of this reform package. It is disturbing that after three years of operation of financial services reform these documents are still lengthy, complex and often unreadable.

There is another issue that astounds me. I asked Treasury whether they had undertaken any consumer testing of the impact of the simplifications that will flow from the legislation. Treasury have done no consumer testing. It seems to me to be fundamental that if you are trying to simplify documents giving
advice to consumers you should ask consumers about what will work and what will be readable. Treasury have not done any of this to date. But Treasury are not the only ones who have done no consumer testing. ASIC is the regulator that oversees consumer protection in this area and, when it started issuing its advice to industry on these disclosure documents, it did no consumer testing. It just beggars belief that if you were to road test a disclosure regime you would not do consumer testing to help you to understand what it is that consumers will read and understand. I have been on the record constantly warning about the difficulties that this approach represents.

The last literacy survey that I read indicated that about 15 per cent of Australians are functionally illiterate. I understand the definition of that is that they are not able to read road maps or read through a telephone book. That is a lot of Australians who are functionally illiterate, let alone financially literate, meaning that they can read and understand financial documents. I am therefore an extreme sceptic about the other approach of this government towards the education of consumers. How do you educate 10 million Australians to be financially literate when about 15 per cent are functionally illiterate to start with? Educating so many people is a huge job. Try it, by any means, and we will certainly get increased financial literacy. But let us not believe that Australian consumers, through an education program and a disclosure program—particularly the one we have got—would be informed generally and would be able to make informed decisions around financial services. Generally, they will not be able to.

One of the other difficulties with these disclosure documents is that there is no uniformity. Everything that you would want to know is there. But if the economic theory of competition is that people will read and compare different disclosure documents and then come to an informed choice—and from that, prices will be driven down—it will not happen unless you have comparable documents. I do not blame the industry. And I do not blame the lawyers because they will only do what they are paid to do, and that is to cover all the eventualities—to cross the t’s and dot the i’s. It is not their fault. This is a fundamental failure of this government to understand the difficulties of consumer protection based on these particular documents and based on an approach for education. I do not blame the public servants. I have given Treasury a bit of a touch-up, but at the end of the day it is the government’s philosophical approach and lack of practicality that have led us to end up with a great mess. If you ask the victims of Westpoint and Fincorp whether they read the debenture disclosure documents, very few of them will say that they did. Even the new head of ASIC, the regulator, could not understand the documents. (Time expired)

Senator MURRAY (Western Australia) (5.57 pm)—The Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007 contains amendments that simplify and streamline Australia’s corporate and financial services regulation, company reporting obligations, auditor independence, corporate governance, fundraising, takeovers and compliance. The bill implements the government’s response to several recommendations made in the Re-thinking regulation report of the task force on reducing the regulatory burden on business relevant to corporate and financial services regulation. It also amends various provisions of the Corporations Act and related acts to improve the efficiency of corporate and financial services regulation. It also makes various minor and tech-
nical amendments to the Corporations Act and related acts. The Corporations (Fees) Amendment Bill 2007 and the Corporations (Review Fees) Amendment Bill 2007 are supporting bills that make amendments about chargeable matters in support of some measures in the main bill. They also contain a measure to introduce a facility for up-front payment of annual review fees, which is a good initiative. The main Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007 contains several schedules that make significant amendments to the Corporations Law. These amendments have by and large been the subject of extensive consultation procedures.

Tonight, I will only be dealing with the schedules which have been the subject of submissions and evidence to the statutory Joint Committee on Corporations and Financial Services, on which both the shadow minister who just spoke, Senator Sherry, and I sit. These changes to financial services regulations were originally flagged in the Corporate and Financial Services Regulation Review consultation paper and in further consultation in the Corporate and Financial Services Regulation Review proposals paper.

The amendments contained in this bill exempt a financial adviser from giving a statement of advice for investments of less than $15,000. However, advisers would still be required to provide a record of advice which sets out key information about conflicts of interest and whether they receive remuneration for the advice given. This proposal is seen as necessary because financial advisers were avoiding giving advice to smaller investors because of the expense of providing a statement of advice. On initial perusal the relevant amendment appears to be benign, and it certainly appears from the majority of the submissions to the committee that it is more than acceptable to the financial services industry that there be a threshold of $15,000, although the Australian Bankers Association and the Financial Planning Association want that threshold increased to $25,000.

There were submissions, especially from those involved in the superannuation industry, which piqued my interest. These submissions looked in detail at the implications of the amendments, especially for small, unsophisticated investors with superannuation funds to invest. The Australian Institute of Superannuation Trustees made a significant submission to the committee and, as they point out, regulation of the financial services sector has two aspects: consumer protection and market integrity. It seems to me that in the wake of the Westpoint, Fincorp and ACR collapses we need to be very careful in introducing measures that might have the unintended consequence of lessening protection for mum and dad investors, particularly where they are unsophisticated investors. Although $15,000 may seem like a relatively small amount of money, if someone seeks advice on how to invest $10,000 on several different occasions and they are advised always to invest in, say, ACR, that could add up to a substantial amount in the end.

I do note that the report of the Joint Committee on Corporations and Financial Services states at paragraph 3.17:

While a number of submitters considered the possible utility of anti-avoidance provisions in relation to the threshold, Treasury officials submitted that they could see no clear way for the threshold to be abused without the knowledge and consent of the client.

And there’s the rub. Unsophisticated investors may be complicit in this situation, foolishly waiving their rights. In those circumstances, with the passage of this legislation, the adviser is not required to provide a statement of advice as to why they keep recommending that particular financial product to that particular customer. I concede that in
those circumstances a record of advice must be given. However, it is my understanding from the committee hearing that these are less substantial documents and exactly what is required to be contained in them has not been finalised in the regulations. I would have preferred an outright prohibition of aggregating advice occasions below the threshold.

Several of those giving evidence to the committee wanted the definition of the proposed threshold clarified, in particular in relation to superannuation advice, which has the possibility of exceeding the threshold over time. The Association of Superannuation Funds of Australia was not alone in expressing confusion about the definition. As pointed out in the committee’s report, the Australian Bankers Association stated:

It is unclear how future investments will be treated. The Explanatory Memorandum suggests that the threshold will relate to the value that the initial investment and the future amounts anticipated to be reached in the next 12 months.

… … …

We suggest that the amendment be clarified so that the threshold relates to an acquisition or disposal in a 12 month period.

The grammar used there is not very good, so I stress that that was a quote.

Others giving evidence to the committee were of the opinion that a clarity of definition, as much as the actual numerical figure, was important. The Industry Super Network said that they agreed with the objective of increasing access to advice for small-scale investors, but, as noted in the report, they stated:

… in order to ensure that the reforms achieve this end without unintended side effects we would urge the Committee to ensure that the $15,000 threshold is well defined so that the total amount under advice does not exceed this threshold.

The Industry Super Network also advocated a reduction of the proposed threshold because the increased limit had been arrived at without sufficient consultation. It did appear to a number of witnesses that the amount of the threshold was based more on what the financial break-even point for financial advisers was in giving advice rather than the amount relevant to consumers. As pointed out in the committee report:

The Financial Planning Association supported the move to grant relief from the need to provide extensive disclosure, and like the ABA, called for the proposed threshold to be raised to $25,000, and for advisers to be able to access the exemption even when being remunerated. IFSA took a similar view, arguing that the calculations undertaken by Treasury as to the ‘break even’ point for advisers were inaccurate.

According to the FPA, there is only a minority of unscrupulous financial advisers in the industry, and I do know that the FPA is working hard to ensure that the number is reduced further. The anecdotal evidence is that, although they might be a minority, there are an awful lot of them. However, as the Australian Institute of Superannuation Trustees pointed out in its submission:

The industry keeps seeing mis-selling of products, resulting in tens of thousands of Australians losing millions of dollars in the process, due to these unconscionable and unscrupulous advisers, even if they are in the minority.

The statement of advice is a powerful tool both for ongoing use by the investor and as a way in which good quality advisers can set out the reasons for their advice. This can act as a protection for them and as a tool for ASIC when they are pursuing financial advisers over poor or conflicted advice.

From the evidence provided to the committee, the late inclusion of superannuation came as a surprise to several of the witnesses. According to the committee report,
the organisation Choice opposed the late inclusion of superannuation:

Compulsory superannuation is deferred earnings designed to fund future retirement. It is a long-term public policy measure and the potential for inappropriate advice or mis-selling is obvious.

According to the Australian Institute of Superannuation Trustees, it is not necessarily simple to identify which fund is the best for the client:

Matters like the existence of severe penalties to withdraw from many of the funds provided by financial institutions, the availability and value of life/total and permanent disablement/income continuation insurance arrangements, and the willingness of a current employer to contribute to the selected fund, can all influence a decision that would otherwise be made on the basis of fees or investment returns alone.

The AIST referred to the fact superannuation is compulsory and because of that there should be effective safeguards against uninformed decision making, submitting:

Diminishing disclosure requirements and creating loopholes for the minority of financial advisers who are acting unscrupulously, or in bad faith, does not provide a confident investment environment for consumers to feel that their retirement savings are safe and secure.

AIST indicated that considerable consternation arose as a result of the late inclusion of superannuation in the bill. Several witnesses testified that they were led to believe that it would not appear and that they were surprised when the bill was made public. A lack of consultation was confirmed by Treasury officials when they appeared before the committee. It seems surprising, given that there was good consultation on so many other aspects of the bill, that this important area was overlooked. I agree with the statement from AIST that the purpose of the Corporations Act is not to make business easier for financial advisers, nor to assist them to be commercially viable. The objectives of the financial services act are to maintain market integrity and provide consumer protection. There are dangers that this amendment does not satisfy these criteria.

The AIST also refer to ASIC’s shadow shopping survey on superannuation advice, which found that 16 per cent of advice given by financial advisers was clearly not reasonable and a further three per cent was probably not reasonable. That adds up to one in five. Furthermore, one-third of the advice given to consumers to switch superannuation funds lacked a credible reason and risked leaving the consumer worse off. It was also three to six times more common for unreasonable advice to be given where the adviser had an actual conflict of interest because they were receiving a commission for product recommendations. In 46 per cent of cases, advisers failed to give a written statement of advice where one was required. I know that the government is sensitive to that and I know that ASIC is sensitive to that. I know that the financial world is trying to address those things, but it actually reinforces the point made by the shadow minister that there are still fundamental problems in getting this area right. ASIC obviously has problems with the financial sector and is constantly watchful of it. As AIST say in their submission, recent financial collapses further bolster their point that disclosure requirements should not be diminished, particularly in an environment which, even now, does not protect ordinary Australians and their retirement savings.

I would like to make a remark with respect to the committee’s report. I draw the government’s attention to recommendation 1. It reinforces the strong and accurate remarks made by the shadow minister and a view widely held by members of the coalition and in my own circumstance. The committee has recommended that the government and industry stakeholders consult further and de-
vise ways to reduce the length and complexity of statements of advice and product disclosure statements and make them more readable. We do have a problem that consumers just are not paying any attention to them, and therefore they are ineffective.

With respect to auditor independence, on this particular amendment I would like to thank the government for finally taking up one of my suggestions. The wording is slightly different but the intent is the same. I refer the coalition to the Senate Hansard of 21 June 2004, page 24,316, where I proposed an amendment to the CLERP (Audit Reform of Corporate Disclosure) Bill 2003 which has similar effect to those proposed in your bill. It shows that if you keep putting forward good ideas, perhaps someone in the government will see the sense of it and implement them, so I am grateful to record a small win. I do not have many of those anymore, as you know, so I am glad to have got one.

As we are dealing with amendments to the Corporations Act, I will again move my amendments requiring shareholder approval for companies making political donations. Since I last spoke on this matter on 29 March 2007, I notice that the coalition at large have been attacking the Labor Party and the way it is financed by the union movement. The Minister for Employment and Workplace Relations has been reported as saying that unions do not have the same accountability as corporates. I am not sure that it is true in any respects, but it is certainly not true with respect to political donations. Corporations are not required to obtain shareholder approval before they make donations to a political party in just the same way as unions are not required to get the say-so of their members to use their funds to donate to the Labor Party.

I was interested to read in the Age and the Adelaide Advertiser of 2 June this year that the Liberal Party’s federal treasurer, Mark Bethwaite, was berating companies for making political donations to both the Liberal and the Labor parties. He described this ‘even-handedness’ as something he could not applaud, especially in light of what he said was the ACTU’s practice of ‘gouging’ funds from union members. I disagree with that. Provided companies and unions have their political donations policies approved by shareholders and members respectively, they are entitled to donate to whomever they want. But there again is the rub. They do not have the approval of shareholders and members. It is immoral and improper for companies and unions to donate money to candidates or political parties without their donations policies being approved by shareholders and members respectively.

In that Age report of 2 June, Michelle Grattan wrote of a resolution passed by the Liberal Party Federal Council. It said:

In a resolution passed with the Prime Minister’s support, the council called on the Federal Government to immediately pass legislation requiring unions and employer organisations to obtain the consent of the majority of their members before distributing funds for political purposes.

Note that it has the Prime Minister’s support and, on that basis, I expect us to see legislation. I suppose such legislation will only be introduced after the employer organisations have spent their advertising money on supporting Work Choices. I am pleased to see that the National Farmers Federation have made it clear that that is not going to be their role, and I think they are perfectly entitled either to advertise or not to advertise, and that is their right.

But I am not going to stand by and watch a one-eyed distortion of a fundamental principle that I and the Democrats have been advocating for a decade. Again and again I personally have moved amendments that require companies and unions that donate
money to candidates or political parties to have their donations policies approved by shareholders and members respectively. Every single time I have moved those amendments, Labor, the Liberals and The Nationals have voted them down. Here is your chance again. Now that the Liberal federal council has voted for unions and employer organisations to observe the principle that their political donations policies must be approved by members, let us start the ball rolling by insisting that companies that donate money to candidates or political parties must have their donations policies approved by shareholders. The coalition should be willing to lead the way for shareholder approval of political donations since it says it feels so strongly about union members not having their say with respect to political donations.

I have raised this issue many times since 1996. I have moved amendments several times. I drew attention to this matter in my minority report to the Joint Standing Committee on Corporations and Financial Services May 2004 report into CLERP 9. Again, in my supplementary remarks of the September 2005 report of the inquiry by the Joint Standing Committee on Electoral Matters into the conduct of the 2004 federal election and matters relating thereto I set out the Democrats approach. I said:

The practice of companies making political donations without shareholder approval and without disclosing donations in annual reports must end. So must the practice of unions making political donations without member approval. It is neither democratic nor is it ethical. Shareholders of companies and members of registered organisations (or any other organisational body such as mutuels) should be given the right either to approve a political donations policy, to be carried out by the board or management body, or the right to approve political donations proposals at the annual general meeting. This will require amendments to the relevant acts ...

I also drew attention to the need for disclosure by companies making political donations without shareholder approval and unions making political donations without member approval, and suggested remedies for this, and I refer you to my minority report. The amendments provide for the prohibition of gifts and political donations—and the amendment I refer to is the one to be dealt with in the committee stage—by companies unless the political donation is authorised by a resolution passed at a general meeting by a majority of shareholders of the company or unless the political donation is made in accordance with a shareholder-approved donation policy. It does not seek to prohibit donations; it seeks to require that the shareholders approve the policy under which donations are made. It is their money.

I would like to remind the Senate that in the report of the Joint Standing Committee on Corporations and Financial Services which assessed that original CLERP 9 legislation, recommendation 26—which was unanimous—said the following:

The Committee recommends that provisions be inserted in the Corporations Act that would require the annual report of listed companies to include a discussion of the board’s policy on making political donations.

So the relevant committee has taken a stand. To date the government has not taken up that committee recommendation. And like so many other good committee recommendations—many of them unanimous and which I have identified in other speeches previously—too often the coalition chooses to ignore them. It should not. Thank you.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (6.17 pm)—Firstly, I would like to thank senators who made a contribution to the debate on the Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007 and sup-
porting bills. The simpler regulatory system bills bring together a number of initiatives in the corporate and financial services fields that will reduce red tape for business while retaining important protections for investors. In developing the bills stakeholders were involved at an early stage. On behalf of the government I would like to thank them for their contributions and for helping to ensure that the initiatives in the bills achieved an important balance between maintaining investor protection and enhancing business productivity.

The inquiry by the Parliamentary Joint Committee on Corporations and Financial Services into the package provided an opportunity for stakeholders to comment on the details of the bills. The government welcomes the committee’s recommendations that the bills be passed without amendment and particularly thanks the committee members and the committee secretariat for preparing its report in such a timely manner. I commend the bill to the Senate.

Question agreed to.

Bills read a second time.

In Committee

CORPORATIONS LEGISLATION
AMENDMENT (SIMPLER REGULATORY SYSTEM) BILL 2007

Bill—by leave—taken as a whole.

Senator MURRAY (Western Australia)
(6.18 pm)—I move Democrats amendment (1) on sheet 5282:

(1) Schedule 1, page 13 (after line 28), after item 43, insert:

43A After Part 2M.3, Division 8
Insert:

Division 8A—Disclosure by companies of political donations

323DC Prohibition of gifts and political donations by companies

(1) It is unlawful for a gift or other political donation as defined in this section to be made by a company to a political organisation or a candidate except as authorised by this Division.

(2) In this Division:

candidate means a candidate for election to the Commonwealth Parliament, a State Parliament or for a position in a registered organisation as defined in the Workplace Relations Act 1996.

political donation means:

(a) a gift as defined by the Commonwealth Electoral Act 1918; or

(b) a disposition of property as defined by the Commonwealth Electoral Act 1918.

political organisation means a registered political party or an associated entity as defined by the Commonwealth Electoral Act 1918.

relevant time, in relation to any political donation made by a company, means:

(a) the time when the donation is made; or

(b) the time, if earlier, when any contract or undertaking is entered into by a company in pursuance of which the political donation is made.

323DD Approval of gifts and political donations by companies

(1) It is unlawful for a company or an officer of a company to make any political donation to a political organisation or candidate unless:

(a) the political donation is authorised by a resolution passed at a general meeting by a majority of sharehold-
ers of the company before the relevant time; or
(b) the political donation is made on the authority of the company, board or management body in accordance with a donation policy which has been approved by a general meeting of the company before the relevant time.

Penalty:
(a) in the case of an individual—by a fine not exceeding 2000 penalty units; or
(b) in the case of a body corporate—by a fine not exceeding 10,000 penalty units.

(2) For the purposes of this section, an approval resolution is a qualifying resolution which specifically authorises the company to make donations to nominated political organisations not exceeding in total a sum specified in the resolution, during the requisite period beginning with the date of the resolution and concluding at the expiration of 3 years after the date of the resolution, after which a further resolution is required in accordance with paragraph (1)(a).

(3) In this section:
qualifying resolution means an ordinary resolution or, if the directors so determine or the articles so require:
(a) a special resolution; or
(b) a resolution passed by any percentage of the members greater than that required for an ordinary resolution.

requisite period means three years or such shorter period as the directors may determine or the articles may require.

(4) The directors may make a determination in relation to a qualifying resolution or the requisite period unless any provision of the articles of the company operates to prevent them from doing so.

(5) An approval resolution must be expressed in specific terms which conform with subsection (2).

(6) If a company or an officer of a company makes any donation in contravention of subsection (1), no ratification or other approval made or given by the company or its members after the relevant time is capable of operating to nullify that contravention.

(7) For the purposes of this section, company includes a subsidiary of a company.

If the Senate is in agreement, unless the shadow minister or the minister wish to ask questions about this amendment, I believe I have motivated it sufficiently in my second reading speech and I will not continue. I would be happy to take it on the voices.

Senator SHERRY (Tasmania) (6.19 pm)—In response to the amendment moved by Senator Murray on behalf of the Democrats, the Labor Party will not be supporting this amendment. I think, as Senator Murray referred to his second reading stage contribution, he has moved the same amendments in other legislation. Labor will not be supporting the amendment for a couple of reasons. Whilst Labor has always argued for transparency for political donations, businesses do have their own internal processes in place to decide how their money is spent in the best interests of their shareholders, just as trade unions do. We have to have some eye to practicality in terms of the decision-making process when considering how best to deal with the issue of political donations.

I think Senator Colbeck was at the Liberal Party Federal Council and he can outline to us what the approach of the Liberal Party is on this particular matter. I expect they will be opposing the amendment. I have not read the Liberal Party council resolution so I do not know the precise details, but on the word of Senator Murray it would appear to be incon-
sistent with the resolution they passed, supported by the Prime Minister. I am sure that Senator Colbeck can outline what I suspect is the government’s opposition to this particular amendment.

Labor will not be supporting it. If any changes are required in this area we have various laws that specifically deal with electoral process and political donations in this country and that would be the appropriate place to move such an amendment if it were required after review of the particular body of legislation that governs and determines electoral law in this country. So Labor will not be supporting the amendment.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (6.21 pm)—The government likewise will not be supporting the amendment moved by Senator Murray. Senator Sherry is right: I was at the federal council and I am aware of the motion that was passed. But motions passed at Liberal Party Federal Council are recommendations to the political party organisation. That is the form they take; they are not binding on the parliamentary Liberal Party at a federal level, unlike the situation that exists with the Labor Party where the motions at the federal Labor council are binding on the Labor Party at a political level. The government recognises that political donations offer opportunity for individuals and organisations to support the party or the candidate of their choice and this is an important part of the democratic process. The government does not support intervening in the operations of individual companies in the way proposed by Senator Murray.

Question negatived.

CORPORATIONS (FEES) AMENDMENT BILL 2007
CORPORATIONS (REVIEW FEES) AMENDMENT BILL 2007

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

Bills agreed to.

Bills reported without amendments or requests; report adopted.

Third Reading

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (6.23 pm)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH AMENDMENT BILL 2007

Second Reading

Debate resumed from 12 June, on motion by Senator Scullion:

That this bill be now read a second time.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (6.24 pm)—I table an additional explanatory memorandum relating to the Australian Centre for International Agricultural Research Amendment Bill 2007. The memorandum was circulated in the chamber on 19 June 2007.

Senator WEBBER (Western Australia) (6.24 pm)—I seek leave to incorporate Senator O’Brien’s speech in Hansard.

Leave granted.

Senator O’BRIEN (Tasmania) (6.24 pm)—The incorporated speech read as follows—

The Australian Centre for International Agricultural Research (ACIAR) was founded in 1982.
The Act under which it was created gave it a mandate to operate for twelve years, after which the need for its continued existence would be assessed and action taken accordingly.

- In its sixth year of operation, the Board of Management considered that it was time to make a critical appraisal of its progress and achievements so far.
- In order that such an appraisal should be independent and objective as possible, the Board decided that part of it should consist of an external review.

The final report of this review lauded the high standing that ACIAR had already achieved in the field of international agricultural research.

- With very few exceptions, this positive reaction was reflected in the views of all who had been associated with ACIAR, whether as participants in collaborative projects or as members of sister institutions.

The report made 24 recommendations on future policies and strategies, and since then, the Centre has undergone several reviews.

- In addition, reviews of the Australian aid program or its components, Simons review of the Australian aid program (1996-97), and most recently, the White Paper on the Australian government’s Overseas Aid Program have included ACIAR.
- The Director of ACIAR has also independently commissioned a number of reviews of particular aspects of ACIAR’s operations and programs.

ACIAR’s work today continues at a high level.

- The Centre encourages Australia’s agricultural scientists to use their skills for the benefit of developing countries and Australia.
- ACIAR funds research projects that are developed within a framework reflecting the priorities of Australia’s aid program and national research strengths, together with the agricultural research and development priorities of partner countries.
- ACIAR’s mandate directs activities to developing countries in five regions: Papua New Guinea and the Pacific Islands, Southeast Asia, North Asia, South Asia and Southern Africa. Research is also allocated across regions through funding to the international agricultural research centres.

ACIAR’s functions are to:
- commission research into improving sustainable agricultural production in developing countries
- fund project related training
- communicate the results of funded research
- conduct and fund development activities related to research programs
- administer the Australian Government’s contribution to the International Agricultural Research Centres

Sustainable agricultural production is particularly important to Australia’s aid program. However, Labor notes that Australia’s aid program has lost its focus. Labor believes that the priority of the aid program should be poverty reduction.

- According to François Bourguignon, Sr. Vice President, Chief Economist, The World Bank:
  - “Growth in agriculture makes a disproportionately positive contribution to reducing poverty. More than half of the population in developing countries lives in rural areas, where poverty is most extreme.”
- Yet in this year, funding for Rural Development in Australia’s aid program has fallen from 2006-07 volumes.
- Funding to ACIAR has fallen by $3.3 million from $49.1 million in 2006-07 to $45.8 million for 2007-08.

Labor supports the Australian Centre for International Agricultural Research Amendment Bill 2007 as the changes;

- are in response to the Review of the Corporate Governance of Statutory Authorities and Office Holders (Uhrig Report).
- improve the administration of the ACIAR and do not alter the research and outputs of the ACIAR, and
are aimed at bringing the ACIAR into line with how other Government entities are administered.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

AGED CARE AMENDMENT (RESIDENTIAL CARE) BILL 2007

First Reading

Bill received from the House of Representatives.

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (6.27 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator JOHNSTON (Western Australia—Minister for Justice and Customs) (6.27 pm)—I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Aged Care Amendment (Residential Care) Bill 2007 proposes to amend the Aged Care Act 1997 (the Act) to implement the Government’s decision to reduce the number of funding levels in residential aged care and provide supplements for residents with complex health care needs, including palliative care, and for residents who have mental or behavioural conditions, including dementia.

Since coming to office in 1996, the Howard government has worked consistently to ensure that older Australians needing long-term care have access to a high-quality and affordable aged care system capable of meeting their needs and preferences.

The Government’s continuing commitment to aged care reform and investment has been demonstrated by substantially increased outlays on residential care, by the very significant growth in care places, and by its recognition of the complex care needs of residents of aged care facilities.

In 2005-06, the Government’s total expenditure on ageing and aged care was $7.1 billion, of which $5.3 billion was paid for residential care subsidies—an average subsidy per utilised place of $34,000. The budgeted amount for the subsidy in 2006-07 is another $300 million more than that.

In 2003, the Government commissioned a review of pricing arrangements in residential aged care. The Government immediately addressed the main recommendations raised in Professor Warren Hogan’s report by providing $2.2 billion as part of its 2004-05 budget package Investing in Australia’s Aged Care: More Places, Better Care the largest single investment in aged care by any Australian Government. The total investment by the Government for the care of older Australians between 1996 and 2008 is $67 billion.

As part of the 2004-05 Budget package the Government committed to introducing new funding arrangements for residential aged care. Aged care homes may claim government subsidy for providing care to a particular resident based upon their funding classification. The Resident Classification Scale has been the instrument used to assess the overall level of dependency of an aged care resident. The resident’s funding classification has been determined on the basis of this assessment.

Over the last two years, the Howard government has consulted and worked with the residential aged care industry, including nursing and care staff, to develop a more effective assessment and funding instrument, which will reduce administrative effort and costs for aged care providers.

The amendments proposed in this Bill will streamline the administration of the current system and free up nurses and other residential care staff to deliver higher quality care. This will occur through a number of measures to ensure that care
needs are assessed more effectively, and that paperwork is required only where it serves a clear purpose.

Specifically, the Bill seeks to replace the Resident Classification Scale with the Aged Care Funding Instrument as the means of allocating basic subsidy in residential aged care. The Bill will introduce changes necessary to reduce the number of funding levels for basic care, as well as provide payments for residents with complex health care needs, including palliative care, and for residents who have mental or behavioural conditions, including dementia. Subsequent amendments to the Aged Care Principles will detail the manner in which specific levels of funding are calculated for residents with different care needs. To support the introduction of this Bill, I am tabling a policy paper today which outlines these changes.

The Aged Care Funding Instrument will remove unnecessary ‘red tape’ by reducing the amount of documentation and record-keeping which aged care staff generate and maintain in order to justify the funding received for each resident. Appraisal procedures using the Resident Classification Scale can sometimes be too subjective and very time consuming. In addition, many aged care homes currently invest considerable staff time in ongoing documentation to ensure that their residents’ care plans and progress notes are found to be consistent with their appraisals for funding purposes when the homes’ appraisals are reviewed for audit purposes. This process is known by industry as “validation”.

The Aged Care Funding Instrument is specifically designed to address these problems. The Aged Care Funding Instrument has fewer questions than the Resident Classification Scale and is targeted to assess an aged care resident’s need for care more objectively. The validation process will also be streamlined so that single questions, or specific groups of questions, can be reviewed rather than every aspect of the appraisal.

The Government and the aged care industry have worked together to develop the proposed funding model. A national trial was undertaken in 2005 in which nearly a quarter of all aged care homes participated. The trial found that aged care assessors and government review staff can achieve a much higher level of agreement on classification levels using the new instrument—over 90%. Another trial has been undertaken to refine the validation method and to clearly define the record-keeping requirements for funding.

A resident’s classification for funding purposes currently expires after twelve months. The Bill amends the Act to remove the requirement for providers to annually reappraise residents. This change will eliminate over 60,000 annual reappraisals completed by providers which result in no change in the amount of funding. It is also proposed that residents who enter aged care homes from hospital be reappraised after six months in recognition that their care needs can change more quickly than other residents’ care needs.

Approximately 12,000 residents move from one aged care home to another each year. The Bill will amend the Act to allow providers the choice either to accept the classification based on the appraisal by the previous home or to submit a new appraisal. Additionally, the integration of the new funding model into the proposed e-commerce platform for transactions between the Department of Health and Ageing, Medicare Australia and approved providers will reduce paperwork and improve efficiency in the longer term.

Maintaining the Resident Classification Scale and associated processes costs over $142 million involving a loss of 5.8 million hours. Within the $142 million, a cost of $116 million is attributed to the Resident Classification Scale appraisal process alone—this can be compared to the Aged Care Funding Instrument impact of $5.21 million.

The Howard government will continue to work closely with the aged care industry to implement the new system to make sure that it reduces unnecessary ‘red tape’ for funding purposes, and more efficiently directs funding towards the care of residents according to their needs. To ensure a smooth transition, a national training program for residential aged care is being developed and will be delivered to up to 10,000 aged care facility staff and managers right across Australia prior to the Aged Care Funding Instrument commencement.

Providers have a responsibility to appraise the level of care needed by residents accurately when claiming Australian Government subsidies. Cur-
rently, the Act allows the Departmental Secretary to suspend providers from making such appraisals in the small number of cases where providers have repeatedly failed to appraise accurately. The Bill proposes to amend the Act so that, in such cases, the Secretary may put a stay on a suspension from making appraisals or reappraisals subject to a provider entering into an agreement with the Secretary. The agreement may include additional training of management and care staff or the appointment of an advisor for a specified period of time to assist a provider to conduct proper appraisals.

The introduction of the Aged Care Funding Instrument will not change the responsibilities under the Act for aged care homes to provide quality care. Failing to provide the care required to meet the individual needs of residents constitutes a breach of the Act and this will continue to be the case.

The transition arrangements proposed in this Bill will ensure continuity of subsidy levels for all residents classified on the basis of an appraisal using the Resident Classification Scale before the Aged Care Funding Instrument start date until they require a higher level of care. In addition, this Bill will ensure the continuity of entitlement to specified care and services provided to high care residents who were eligible for these services before the Aged Care Funding Instrument start date.

Senator WEBBER (Western Australia) (6.27 pm)—I seek leave to have the speeches of Senator McLucas, Senator Stephens, Senator Sterle and Senator Carol Brown incorporated in Hansard.

Leave granted.

Senator McLucAS (Queensland) (6.28 pm)—The speech read as follows—

Introduction

I rise today to speak on the Aged Care Amendment (Residential Care) Bill 2007. This Bill is to amend the Aged Care Act 1997 to introduce a new arrangement for the assessment of allocation of subsidies in residential aged care, called the Aged Care Funding Instrument (ACFI).

Government subsidies are provided according to the different levels of needs of residents in aged care facilities.

The Bill also changes the current arrangements in which classifications expire after 12 months. It removes the requirement for providers to submit reappraisals, but gives providers the option to reappraise a resident after 12 months.

The amendments also allow a provider to accept a resident’s current classification when a resident moves from one home to another, rather than being required to submit a new appraisal.

The Aged Care Act 1997 as it currently stands allows the Secretary to suspend a Provider from appraising residents for funding purposes if the provider repeatedly fails to conduct appraisals or reappraisals in a proper manner. This Amendment allows the Secretary to stay the suspension, subject to the provider meeting certain obligations. These obligations may include appointing an adviser at the provider’s cost, or undertaking training. This is aimed to encourage providers to conduct appraisals and reappraisals properly to avoid a suspension coming into effect.

The ACFI was designed to reduce the amount of documentation generated in aged care facilities which is required by the Commonwealth to justify the funding classification for each resident.

The reduction of paperwork for aged care staff is welcome and trials indicate it will allow care staff spend more time on resident care rather than filling in forms.

Refer to a committee

As a number of concerns were been raised by the aged care sector, Labor referred the Bill to the Community Affairs Committee for Inquiry. Following the inquiry, the recommendations have led to three proposed amendments to the Bill. Two from the Government and one from Labor.

Recommendation 1

The Committee noted that the provision allowing more than one residential care service to be paid a subsidy for the same resident will be repealed.

The payment of two subsidies is an unusual situation which is rarely used. It is required when a resident has to relocate on a temporary basis to another facility—usually a facility that can pro-
vide a higher level of care and the place at the original facility needs to be retained for the resident.

The Department has indicated that only a small number of aged care facilities use this provision and in some cases it was not applicable in the circumstances.

However, the Committee considered that circumstances may arise particularly in regional and remote areas where it is appropriate that a subsidy be paid temporarily in both aged care facilities and therefore recommended the omission of Item 27 of the Bill.

Recommendation 2
The Committee noted submissions from witnesses on the lack of detail on Items 28, 29, 31 which allow the Minister to determine a lower basic subsidy level where a resident is receiving extended care in hospital and also Item 32 which removes the existing provision in section 44-4 outlining the possible reduction in a classification level under the RCS.

Questions were raised by the aged care sector about the quantum of the minimum amount of the new basic subsidy level and the basis for these determinations. The Committee recommended that the Minister ensure that the lower basic subsidy level is reasonable.

The Government has sensibly proposed amendments to the Aged Care Amendment (Residential Care) Bill 2007 that will deal with Recommendations one and two which Labor will be supporting.

Recommendation 4
The Committee noted that this Bill represents major change to the aged care sector and has the potential to impact on the funding available to aged care facilities so recommended a full and robust review of the ACFI eighteen months post implementation.

The Government has put forward amendments that deal with Recommendation 1 and 2, but omitted to put forward an amendment that deals with Recommendation 4.

Labor has put forward an amendment that deals with this issue and we will deal with the issues around the review in Committee.

History of RCS and excessive documentation
As the NSW Nurses’ Association has pointed out, the Federal Government’s aged care “reforms” in 1997 and the introduction of the Aged Care Act 1997 resulted in increased regulation of the aged care industry and the introduction of a complex funding instrument called the Resident Classification Scale (RCS) which made Commonwealth funding contingent on the completion of extensive documentation for each resident.

The burden of completing this paperwork fell largely to registered nurses in aged care facilities, which increased their workload and reduced their ability to provide direct care for residents and provide support for other care workers in aged care facilities.

The Government has known that the issue around the burden of paperwork for nearly 10 years yet it has taken till 2007 to do anything about it.

History of the ACFI
The ACFI was initially proposed to be introduced on 1 July 2007 which would not have allowed for training on the new instrument to have occurred.

The former Minister for Ageing announced that the new Aged Care Funding Instrument would be delayed from 1 July 2007 and will now be introduced on 20 March 2008 as part of the “Securing the Future” aged care funding package.

A review into the operation of the Resident Classification Scale (RCS) was announced on 9 May 2002. The review was commissioned to address industry concerns about excessive RCS documentation, and new funding instruments were proposed and trialled.

The aim of the new funding instrument was to have fewer basic funding categories than in the current RCS and to include two new supplements to better target available funding towards the highest care needs—in particular residents with dementia and challenging behaviours and residents who have complex health and care needs, including palliative care. The new supplements are to be implemented from within the basic subsidy funding which is currently allocated by the RCS.

Since the 2004 announcement, several project and trials have been commissioned by the Govern-
ment to identify and test a new funding model. These trials were completed in October 2005.

After further adjustment, the ACFI was originally announced for introduction on 1 July 2007 but has now been deferred for introduction on 20 March 2008.

Securing the Future

This deferral is in response to the Government’s February aged care funding announcement “Securing the Future” where the subsidies will be assessed according to the new funding instrument.

While the Government’s “Securing the Future” funding package was welcomed at the time of the announcement by providers.

With more information and with further analysis the aged care sector has become increasingly concerned about the potential loss of funding and impact on care provision, particularly in Low Care facilities.

The Aged Care Association Australia has called on the Government to resolve the flaws in its package as a matter of urgency.

“ACAA initially supported the package,” said Mr Rod Young the CEO of ACAA. He went on to say “However, an examination of the detail of the package has revealed that the Government has removed two supplements that will be worth nearly $300 million in capital and care to providers over the life of the package.”

He said: “The removal of the supplements significantly undercuts the apparent merits of the package. The removal of these supplements will have immediate impacts on the viability of may providers and the capacity of many to continue to provide existing levels of care.”

“As it now stands, this is not the package the Government has been promising to deliver to the industry and older Australians for the past two or three years following the Hogan Report.”

Aged and Community Services Australia stated: “Changes are required to the Australian Government’s package of aged care funding measures…if they are to achieve their stated objectives without unforeseen consequences.”

Greg Mundy, CEO of ACSA went on to say “We were initially very pleased with the package but as more detail became available on the various offsets and trade offs contained within it, it became clear the gains were modest and that there were significant negative impacts.”

He also said that “Worse than this, many Low Care homes may actually be worse off under the proposed measures”.

The Chief Executive of Churches of Christ Homes in Western Australia, Wayne Belcher, has undertaken economic modelling on his aged care services and has said the Government’s Securing the Future funding package “fails the test of reasonableness”.

“Upon reviewing the detail of the announcements, there is little average additional accommodation revenue gained. Indeed for our current mix of clients we anticipate losing approximately $860,000 over the next five years based on the full content of the package provided by the Department of Health and Ageing.

“We are in a position where we may no longer be able support the cost of building a nursing home for Grandma”.

Mr Belcher went on to say: “The Australian Government has failed to meet its reasonable commitments to residential aged care funding through these recent announcements.”

As we see, yet again with another Government announcement where the devil is in the detail.

Labor has called on the Government to publically release their financial modelling so providers can assess their financial position and the public can determine if the Government has hoodwinked them over this $1.5 billion funding announcement—to no avail.

The May Budget did provide a patch-up for the flawed “Securing the Future” funding package, but only after intense pressure from the aged care sector.

The former Minister used the term “unintended consequences” to describe the problems the aged care sector was discovering with the “Securing the Future” package.

I’m sorry, but with the resources of the Government; with the information facility by facility provided by the sector; with the millions spent firstly on the Hogan Review and the never-to-be-
The Minister and the Government knew exactly what would happen, especially in smaller facilities with a higher proportion of low care residents.

As a result of sectoral activism through aged care representative organisations we then saw the “patch”, the “band-aid”, the Transitional Assistance Subsidy in the Budget.

So here we are four years since the Government announced that future financial sustainability in residential aged care was a problem, in a position very much like where we were in 2003.

The Howard Government has had a short term view when it comes to aged care. It has failed to provide certainty into the future, especially with Australia facing an increasingly ageing population.

The provision of aged care needs honest engagement with the sector and considered vision.

Conclusion

Australia’s frail older citizens and their families need certainty that aged care will be available to them, when they need it and where they need it, near their families and friends.

Labor is prepared to support the Bill, but will put forward its own amendment to undertake a review of the Bill after 18 months to ensure there are no unintended consequences after it has been in operation.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (6.28 pm)—The incorporated speech read as follows—

I rise to speak on the Aged Care Amendment (Residential Care) Bill 2007. The bill will amend the Aged Care Act 1997 to introduce a new arrangement for allocating subsidies in residential aged care. The aged-care funding instrument is designed to reduce the amount of documentation generated in aged-care facilities which is used to justify the funding classification for each resident. Aged care is an important issue that needs to be addressed, of course. A reduction in paperwork for aged-care staff is welcome, as it will allow for the already stretched resources in aged-care facilities to be concentrated on looking after residents. At many of the aged-care facilities that I have had the privilege to visit, one thing that I have heard time and time again from the providers of aged care is that too much time is spent on paperwork and not enough time on the actual care of the aged. So this bill is welcome in that it will ensure that providers can spend more resources and time on looking after the people in those aged-care premises and will relieve providers of the mountains of paperwork.

Despite this bill’s attempts to address a more flexible funding regime, there are big problems in the aged-care sector in my home state of New South Wales, and this bill gives me an opportunity to speak more broadly on the issues that the bill is attempting to address. We have many aged and frail patients inappropriately languishing in public hospital beds, causing blockages in the public health system. Funding for the aged-care facilities continues to fall, leaving many families with few, if any, appropriate options for the care of an elderly relative and, therefore, restricting access to nursing homes that would normally be glad to take them.

Some 3,000 nursing homes across Australia are at this time catering for over 160,000 people, with the demand for care increasing dramatically. It has been estimated that by 2019 there will be a need to provide care for some 970,000 people. This is a factor that the Howard government continues to refuse to recognise. Where do they think these people will be placed? They cannot stay at home, as the funding for home based care is insufficient to allow that to continue safely. Home based care programs and services are continually suffering from a severe lack of funding and an inability to get quality staff to carry out the care—though many people would rather stay at home under that sort of care.

In many cases, families cannot care for their elderly parents or relatives because of other commitments on their time—for example, work and caring for children or a partner. In 1997, the Howard government made some pretty significant changes to the aged-care system which it pre-
dicted would guarantee positive outcomes for elderly Australians.

Those changes have never happened. The reforms never actually came into being, leaving a very large sector of the community still waiting to hear how their loved ones could be cared for.

Provision of adequate funding of aged care is high on the agenda for all providers. Maybe it is time to move to a funding model based on an accommodation component and a care component. It is suggested that there should be separation of these two cost drivers in residential aged care. This could possibly offer the public more flexibility, transparency and community understanding in this service delivery area.

There are myths and incorrect assumptions about working in aged care. The allocation of additional undergraduate nursing places in the budget is of course welcome, but it is now our responsibility to ensure the recruitment of more nurses for the aged-care sector. There needs to be more encouragement of personal carers to adopt careers in aged care.

The involvement of the medical and allied health professions in aged care is a goal that we all seem to want to achieve, but the barriers remain. There are access, funding and availability questions that must be addressed. Pay equity is an issue relative to not only nurses but also all aged-care workers. This should be addressed immediately. The conditional adjustment payment to 2007 is not of itself a sustainable solution.

Community expectations are growing very quickly. Families of residents of aged-care facilities and receivers of community care increasingly want to understand the type of care being provided. There will increasingly be an expectation that the staffing level and mix be known and understood by families of people who receive care.

Workforce issues present a challenge that can only be achieved through government and sectoral collaboration around funding, consumer education, training and education, career path development and national leadership. Labor will continue to hold the Howard government accountable for its failure to plan ahead and provide the type of detailed policies that are needed in aged care in particular. Planning for our built communities needs to take into account the overall ageing of the population. This needs to be kept in mind, with clever design and innovative ideas. This brings challenges to the building industry, town planners and governments, particularly local government, in delivering homes and communities that are suitable for the needs of an ageing population.

The emergence of Australia’s ageing population is not a surprise. The Australian National University Research School of Social Sciences reports three principle causes for this occurring. Firstly that the fertility rate has fallen to unprecedentedly low levels with no indication that it will increase again in the future. The fertility rate for population replacement is 2.1 births on average per woman since the mid 1970’s and is currently at 1.75 and declining. The second reason is that mortality rates of older Australians has fallen and the third cause is that from 2010 the large post war baby boom cohort begin to turn 65. These baby boomers will continue to exert significant influence on the size of Australia’s aged population—and its proportion of the total population—until around 2050.

Policy makers, aged care providers, designers and planners are required to take a proactive approach to promote innovative ideas to help older residents to age in their local community in a productive, healthy and active way. Every individual, family, community, business and each level of government is aware of, and will feel the impact of Australia’s ageing population.

Growing numbers of older Australians are demanding—and are entitled to—more choice in when, where and how services are delivered to enable them to enjoy quality of life throughout their whole life. We need to create positive environments for healthy ageing, including ones that can cater for transitional care, rehabilitation and ageing-in-place from low to high-level care.

Some people are likely to choose lifestyle villages, whereas others may choose to stay in their own homes that have been modified with, for example, wider doorways and ramps, and some may need greater care. We know that the best solution for people when they reach those twilight years is to remain in their own homes, with adequate care, if they are able to. For those who
choose to stay in their homes, there is the significant issue of social isolation. It is here that policy needs to be developed to prevent this isolation from becoming an epidemic in Australia. This isolation often develops because the person may have a disability or may have lost a partner or may have few transport options.

Planning must take all of these circumstances into consideration in order to achieve cohesive communities. The importance of older Australians remaining involved in community life and remaining socially connected cannot be underestimated in their maintaining good health, both physically and mentally.

Senator STERLE (Western Australia) (6.28 pm)—The incorporated speech read as follows—

The purpose of the Aged Care Amendment (Residential Care) Bill 2007 is to amend the Aged Care Act 1997 to support the proposed amendments to the Classification Principles 1997 to replace the Resident Classification Scale (RCS) with the Aged Care Funding Instrument (ACFI) as the means for allocating subsidy to providers of residential aged care.

This change was foreshadowed in the ‘Securing the Future of Aged Care for Australians’ package announced by the Prime Minister on the 11th of Feb 2007.

This Bill also proposes a number of amendments to do with the operational parameters of the Government’s residential aged care program and improvements to the administrative efficiency of the program.

Part II of the Bill provides for application and transitional arrangements to implement the amendments to this Bill and to ensure a smooth transition for approved providers.

Mr President, it has been well documented that Australia over recent decades has experienced significant ageing of its population. This is partly due to a progressive decline over time in Australia’s crude birth rate and partly because, on average, Australians are living significantly longer.

We live in an era where most people can expect to live an active healthy life many years after they move into retirement. It needs to be acknowledged that continuing improvements in the health status and the longevity of Australians is due in no small part to Australia’s Government funded universal health and aged care systems.

Medicare saves lives without discrimination.

Medicare improves health without discrimination.

The pay-off from Australia’s universal health and aged care systems is a healthier and longer living population.

Medicare is complimented by Australia’s aged care system which ensures older Australians received high quality aged care regardless of their financial means.

Because of our changing demographic there has been a substantial increase in the need for Government to ensure the provision of adequate aged care services, particularly for the growing numbers of people living well into their eighties.

The tragedy is that not all Australians are sharing equally in the improvement in longevity and health status.

I refer of course, in particular, to Indigenous Australians. The poor average health status of Indigenous Australians is unfinished business that is still not getting the priority it requires from the Howard Government.

The lower average standard of living of Indigenous Australians and their significantly lower health status demonstrates that where a Government does not govern for all Australians there can be a devastating effect on the lives of individuals.

It is essential that Government accepts it has a responsibility to ensure that there are no barriers to accessing Government funded universal health and aged care services.

Barriers to these services can result in lower individual health status and at worse can shorten lives.

In respect to aged care the Federal Government has a responsibility to ensure that changes to its aged care funding arrangements do not create unfair access barriers to required aged care services because of declining affordability for individuals.

In this regard Australian Institute for Health and Welfare (AIHW) figures show that in the period of 1999/00 to 2004/05 the total cost of high level
residential care rose by 44%. In the same period the direct cost to individuals of high level aged care rose by 75%. These figures suggest that there has been a significant shift of a cost of high level aged care from Government to the individual over the past 5 to 7 years.

This follows the same pattern that is emerging in other key areas of the Government’s aged care and health responsibilities.

As I made note of in the debate on changes to the Pharmaceutical Benefits Scheme arrangements, the Government has lessened its cost burden in the delivery of affordable medicines.

The result is that under this Government it’s the users of health services, who in many circumstances are not well-placed to afford the cost of required treatments, who are having to foot the bill.

When it is considered that 88% of permanent residents of Government subsidised aged care facilities are pensioners, it is of concern that the cost to individuals of their residential care has been rising significantly faster than the Government’s share of these costs.

On top of this, many residents of aged care facilities are being asked to provide bonds often well in excess of $200,000 to get in the door.

Aged care services, particularly residential care services, are becoming big business—Mr President I will have more to say about this in a moment.

I want now to raise the matter of the availability of residential aged care places under the Howard Government.

The Howard Government’s handling of its aged care portfolio has been far from outstanding.

In its 11 years of Government there have been 7 ministers responsible for aged care policy.

No wonder the Howard Government has mucked up things so badly.

In its first 5 years the Howard Government increased the number of residential care places by only 5%. Over the same period Australia’s 70 years plus population grew by 16%.

The result has been a major block to access to residential care beds from which the Howard Government is still a long way from resolving.

To make matters worse the Howard Government ignored the extent of the growth needed in additional high care or nursing home beds. The result of this neglect has been that people needing to be admitted to a high care bed have often found that there are long waiting lists or that they have had to accept a nursing home bed a long distance from family and friends.

Entering a nursing home at the age of 80 or even older is a traumatic enough experience in itself without the stress of knowing that you’re going to be almost completely isolated from your previous life and friends.

This is something that does not get a guernsey in performance report card of the Department of Health and Ageing or the Minister for Ageing.

Having watched my own grandparents experience the trauma associated with losing their independence and moving into residential care, I can assure you that this is something very real to real people.

Between the year 2000 and 2006 Australia’s 70 plus population grew by 17.8% compared to total population growth of 7.7%. More importantly the number of persons over the age of 80 years grew by 34.8%. It is the 80 plus age group that are highly dependent of the availability of high care beds. Over 60% of high care beds are occupied by people over the age of 80 years.

A major problem with the Howard Government’s management of residential aged care services is that it has constantly been running several years behind the need for additional beds. It needs to be borne in mind that the process of bed allocation and the building of new beds takes several years to complete.

It is simply no good waiting for the aged care population to grow and then decide to allocate additional beds.

It has taken over 10 years for the Howard Government to properly acknowledge that it has let thousands of older people down by not supporting an adequate increase in high care beds.

It has only been in this election year that the Howard Government has made real effort to address this shortfall by pledging that two thirds of 2007 new aged care bed allocations will be high care.
In effect the Government has admitted that it has got the number of high care beds terribly wrong. The Minister has recently announced that the Government has increased its high care bed target from 40 beds to 44 beds per 1000 persons 70 years and over.

The fact that the Howard Government has admitted that its planning ratio for high care beds was 10% below requirement indicates that it has been running a residential aged care policy 6000 high care beds below requirement.

Inevitably, a substantial proportion of this bed requirement has had to be covered by the public hospital system. This has been done without any compensation by the Commonwealth.

This situation has also been a significant contributor to longer wait times for elective surgery in public hospitals which the Howard Government has been quick to blame the State Governments for.

The annual cost to the public hospital system from the lack of high care nursing home beds is phenomenal.

A public hospital acute bed costs on average $350,000 to Government annually. This is 10 times the annual cost to Government of a high care aged care bed.

Every 1000 public hospital acute beds occupied unnecessarily by older people waiting for access to a nursing home, costs Australia’s public hospital system approximately $300-$400 million annually.

During the 11 years of the Howard Government, billions of tax-payer dollars have been thrown away by incompetence in aged care alone.

The indications are that at any one time there are hundreds if not thousands of older people waiting in a public hospital acute bed for access to a high care nursing home bed.

In my home state of Western Australia the State Government has had to take the step of purchasing access to high care beds in the aged care sector in order to discharge people in the State’s public acute care hospitals who have been waiting weeks if not longer for an available aged care bed.

The Howard Government’s approach has been bad aged care policy and bad economics.

Mr President, included in this Bill are legislative changes that it is hoped will decrease the administrative burden on aged person residential care operators from unnecessary form filling.

This is an important issue as much of the complex form filling required by the Commonwealth falls on the shoulders of the small number of registered nurses which individual care facilities employ.

Today’s nursing shortage is a particular problem for aged care facilities who continue to point out that they experience real difficulties in competing with the higher salaries that the hospital sector can afford to offer nurses.

The aged care sector has been pressing the Howard Government for years on the issue of labour costs in their sector.

The reduction in nursing home paperwork will go at least a small way in assisting nurses in aged care facilities to cope with their high demand work loads.

Also, the changes in the Resident Classification System will give better recognition to the care needs of people with severe behavioural disorders, particularly the large proportion of people in high care beds who have advanced dementia.

Mr President this Bill may improve the Resident Classification System and may reduce paperwork, however, it does nothing for the fundamental issues affecting the long term viability of aged person residential care accommodation.

There continues to be too many nursing home facilities which are below acceptable building standards for the 21st century.

There remain too many older style buildings with poor physical amenity including multi-person bedrooms. These facilities still exist because of an overall lack of high care beds and because operators of these facilities claim that they cannot afford to fund the major renovations required or to build replacement facilities.

While this stand-off between the Government and aged care facility operators continues, significant numbers of older people are going in to nursing homes that are below what most people would
regard as acceptable standard of residential accommodation.

This is a matter that the Howard Government has been unable or unwilling to tackle head on and is to the detriment of older people.

In addition, residential aged care provider peak bodies have for several years pointed out to the Howard Government that their funding formulas and policies mean that the building of new nursing home facilities is becoming uneconomic. This situation has not been addressed in the funding changes that are included in this Bill. The result of the Howard Government’s failure to address this issue rationally is creating significant distortions in the way the capital requirements of residential aged care provision are being met.

In the absence of viable alternatives to generate the necessary capital required to upgrade existing aged care facilities and to build additional beds, aged care providers have adopted two main strategies.

It is now not unusual for people entering low care facilities or extra service facilities to be asked to provide a bond of several hundred thousand dollars. In other words, people are being asked to pay a bond that is substantially higher in value than the cost of their share of the physical facilities in which they are to be accommodated.

New entrants to residential aged care facilities who pay a bond are cross subsidising other residents who previously paid a very low bond or who have not paid a bond at all.

To my mind this is unfair even if it has to be done to allow nursing home operators to build additional nursing home beds that are desperately needed.

Because a nursing home that offers extra service beds is able to demand a bond prior to entry, nursing home operators have a strong incentive to seek to have substantial proportions of their nursing home beds classified as “extra service” places.

The effect of inflated bonds and the growth in extra service nursing home beds attracting substantial bonds, is likely to make it much more difficult for a person that doesn’t have the financial means to pay a large bond or pay for extra services.

Mr President, it is difficult not to conclude on current trends, that future access to affordable aged residential care is under a distinct cloud.

Reputable private for-profit and church and charitable not-for-profit aged care service operators are all voicing their concerns.

On the 11th of February 2007 the Prime Minister released “Securing the Future of Aged Care for Australians.”

On the same day the church and charitable aged care provider peak body, Aged and Community Services Australia (ACSA) issued a media release praising the package. Also at the time the private for-profit aged care provider peak body, the Aged Care Association Australia (ACAA) welcomed the announcement of the package.

Just 15 days later ACSA announced that on closer consideration it was far less enamoured with the Prime Minister’s announcement than it first indicated.

Mr Greg Mundy, the CEO of ACSA, on the 26th of February 2007 had this to say, and I quote:

“we were initially very pleased with the package but as more detail became available on the various offsets and trade offs contained within it, it became clear that the gains were modest and that there were significant negative impacts.”

In other words the “Securing the Future of Aged Care for Australians” aged care policy and funding package had on closer examination turned out to be another Howard Government dud. This sort of performance has become typical of this lazy tricky Government.

By late May this year the Aged Care Industry Council (ACIC), a new peak council of Australia’s aged care providers, had this to say and I quote:

“the prospects of a long term crisis in aged care are so real and so dire that Australia’s two peak aged care bodies Aged and Community Services Australia and the Aged Care Association of Australia have joined forces to form the ACIC to actively campaign for major industry reforms.”

A spokesman for ACIC went on to say:
“The aged care sector is facing an impending crisis as an army of ageing people is marching towards a system that will be incapable with coping with the increasing level of demand.”

So much for the Prime Minister’s “Securing the Future of Aged Care for Australians” package.

Mr President, these criticisms are not coming from fly-by-night opportunistic sources. They are coming from trusted and reputable aged care service providers who have been stand out performers in meeting the aged care needs for Australians for many decades and longer.

ACSA alone represents over 12,000 church, charitable and community-based organisations providing aged care services to over 750,000 Australians.

On the 8th of May 2007, Mr Greg Mundy, CEO of ACSA, had this to say about the Howard Government’s aged care measures in the 2007/08 budget:

“The budget does some useful things but does not secure the future of aged care services, as the government claims.”

In referring to the Government’s “Securing the Future of Aged Care for Australians” package Mr Mundy went on to say:

“The government’s package was never a complete solution to the problems facing aged care…”

Mr President, the “Securing the Future of Aged Care for Australians” package was a dud when it was announced in February this year and as far as the aged care sector is concerned, it is still a dud. The measures in this Bill will not change that fact.

Mr President it has become evident that big business has noticed that the residential care sector is experiencing a capital crisis.

Furthermore, there is a real sign that the big money players have worked out that many aged care facilities are located on valuable real estate.

For asset rich and cash poor aged care operators the potential windfall from the sale of their facilities may understandably be very attractive. It may in fact be their only financial option.

For example, the Macquarie Bank Group has commenced targeting asset rich aged care accommodation services providers as a future high profit area of business. We know the Macquarie Bank people do not get out of bed unless they see the prospect of platinum grade investment returns.

Since 2005 the Macquarie Bank Group through one of its investments arms, Macquarie Capital Alliance Group (MCAG), has used a subsidiary company—Retirement Care Australia to become Australia’s third largest residential aged care service provider operating in five of the six states of Australia and the both territories. Currently the company operates in the order of 26 aged care facilities with over 2400 beds.

In 2005 MCAG funded the acquisition of aged care facilities previously owned by the Salvation Army. One of the facilities acquired was the Salvation Army Aged Care and Nursing Home and Hostel in the highly sort after residential suburb of Nedlands close to the Perth CBD and on the Swan River.

Already the residents of a dementia hostel on the site, which was partly built with Commonwealth money have been told that they will have to move to enable the company to demolish the hostel to make way for planned higher return redevelopment of the site.

An MCAG briefing to investors in March this year announced that within 2 years Retirement Care Australia had already achieved a 29% return on MCAG initial equity investment. In information for investors MCAG lists the positives of its aged care facilities investments as:

- Long term growth driven by population;
- Strong barriers to entry and substantial government funding; and
- Highly fragmented market with continued sector consolidation opportunities.

What we are seeing is a classic financial play commencing. Macquarie Bank and trust me, there will be others, has recognised that there is an opportunity to acquire valuable aged care residential accommodation assets under distressed circumstances

Once acquired, assets can then be consolidated into high return and low return groups with the low return assets divested.
The ultimate result will be the evolution of a two-tiered aged care residential care system. While the system will be still be largely funded by Federal Government aged care subsidies, it will leave many aged care facility operators in an even more perilous financial situation. Not to mention what it will do to those who actually need affordable and accessible care in their older years.

This will see Australia’s universal aged care system disappear.

Once again we will have the Howard Government to thank for this disgraceful legacy.

**Senator CAROL BROWN** (Tasmania) (6.28 pm)—The incorporated speech read as follows—

As the Shadow Minister pointed out in her second reading speech, the Aged Care Amendment (Residential Care) Bill 2007 seeks to amend the Aged Care Act 1997 by introducing a new arrangement for the allocation of subsidies in residential aged care called the Aged Care Funding Instrument or ACFI.

This Bill also removes the current requirement for classifications to expire after 12 months and instead gives providers the option to reappraise residents after 12 months.

The proposed amendments also make it easier for residents to move between aged care homes, by removing the requirement that providers submit a new appraisal.

These amendments are part of broader reforms due to take place in the Aged Care sector in Australia.

They come in the wake of the recommendations resulting from reviews conducted into the pricing arrangements in residential aged care and the resident classification scale.

They are designed to reduce the administrative burden on staff in Aged Care facilities.

The Aged Care Act 1997 saw the introduction of the complex resident classification scale, and increased regulation of the aged care sector.

Aged care providers were required to complete excessive amounts of paperwork for each resident to justify their funding classification.

Generally, these requirements significantly increased the workload of registered nurses working in aged care facilities across Australia, who were responsible for completing all the requisite paperwork.

And of course, with Government funding contingent on the completion of such paperwork, administration became a necessary priority and, sadly, reduced the amount of time available to them to actually care for the aged.

The introduction of the ACFI, which will POTENTIALLY reduce the amount of required paperwork, is a positive step forward for alleviating some of the pressure on staff in aged care facilities around the country.

Any measure that is aimed at providing staff with more time to focus on the needs of residents is, of course, most welcome.

The Bill was referred to the Community Affairs Committee on 29 March this year for review. The Committee tabled its report on the 16 May, and recommended three possible amendments to the bill.

They included:

Recommendation 1.41

“That the bill be amended to omit item 27 repealing the subsection 42-1(4) of the Aged Care Act 1997 and the Department of Health and Ageing monitor the use of this subsection by aged care facilities to ensure that it is used appropriately.”

The bill repeals a provision entitled “High Dependency Care Leave” that allowed more than one residential care subsidy when a resident had to move to another service temporarily, usually a high care facility.

However for a few smaller, often rural facilities, the removal of this provision may have a significant financial impact.

Such facilities should not be forced to unduly suffer simply because other facilities have attempted use this provision inappropriately.

The Government has adopted this recommendation of the Committee, and is moving an amendment which Labor will support. If the Government hadn’t made this amendment, Labor would have done so.
Recommendation 1.44

“That the bill be amended to ensure that determinations made by the Minister under items 28, 29 and 31 of the bill are reasonable and a safeguard similar to that in section 44-4, which item 32 repeals, be implemented under the new ACFI to determine the minimum subsidy level.”

The bill proposes that the Minister will be able to determine the lower basic subsidy when a resident is receiving extended care in hospital.

As with any areas that rely on ministerial discretion, providers are nervous that the determination could possibly result in the significant loss of funds.

The Government has also adopted this recommendation of the Committee, and is moving an amendment which Labor will support.

And Finally, Recommendation 1.48

“That a review of the ACFI be undertaken eighteen months after its implementation to assess the implications to all aged care providers and ensure that the stated benefits are achieved.”

Labor will amend the bill to require a formal review 18 months after implementation.

This review will be essential in determining the effectiveness or otherwise of the ACFI and its real impact on aged care providers around Australia.

If the Government is serious about getting aged care services right such a review is vital.

Securing the Future

In February this year the Prime Minister launched the Government’s revised aged care package, Securing the Future of Aged Care.

Getting it right in terms of the provision of Aged Care services in Australia has never been so vital.

The Prime Minister himself has acknowledged that the number of people relying on such services is set to rapidly increase.

The number of Australians aged 70 and over will double in the next twenty years.

My home state of Tasmania will most likely become the ‘oldest’ in terms of the population ageing from around the end of the decade onwards.

Indeed, the challenge of ensuring the effective provision of care for our rapidly ageing population is most likely to continue to grow over the next decade and into the future.

As lifestyle changes, and improved health care treatments, and their availability see Australians living well into their 70’s and even 80’s more and more Australians will require access to aged care services and in many cases enter into an aged care facilities.

Community expectation is that a wide range of quality services will be available across the country in urban and rural and regional areas, and that our older Australians needs are met—which is only right.

After all older Australians have worked hard, paid their taxes and made valuable contributions to their communities and our way of life.

While the Governments new funding package was initially welcomed by aged care service providers, many in the sector became increasingly sceptical as the details of the package emerged.

Indeed many providers became increasingly concerned about the potential to lose funding under the proposed package and the impact it would have particularly on the low-care facilities.

Despite a funding “patch” of $92 million over four years in the Budget to fix “unintended consequences” in the Securing the Future package, providers remain concerned about sustainability into the future.

These concerns have been voiced with increasing urgency in my home state of Tasmania, where insufficiencies in the Government’s funding model have already forced the closure of two aged care facilities in southern Tasmania in the last few months.

The funding provided to these facilities by the Federal government barely covered the cost of wages, and ever increasing cost of providing quality care let alone the services that are provided.

These closures come despite the fact that there is a significant waiting list for residential care places in the region.

Many more aged care providers around the state may too face the threat of closure.

And from all accounts things are only likely to get worse for providers in Tasmania under the...
Governments Securing the Future of Aged Care package.

The President of Aged and Community Services Tasmania (ACST), Ms Susan Parr has said that while the increases in funding under the new package are welcome, she believes that it is still inadequate to deal with the emerging pressures on the aged care system, especially in low-care.

In particular, Ms Parr is most concerned that the Federal Government’s funding levels are “not keeping pace with the cost of care and providers are continually being asked by the Government to do more with less and it’s falling to families and care providers to make up the shortfall.”

There is more and more pressure on aged care providers. You only have to talk to some of the people who work in the industry to understand the level of pressure they are under. Not being able to provide residents with the level of care and attention that they deserve causes considerable stress to nurses, families and others.

The nature of the Federal Government funding model for low-care facilities, simply does not makes it harder for smaller facilities with fewer residents financially viable.

Sadly, this proposed package does nothing to address this problem.

Tasmania at around 17% has a comparatively large proportion of small services with 20 or fewer places.

Until this is addressed properly, smaller homes in Tasmania may continue to close, forcing residents to relocate to bigger facilities away from their families, support networks and local communities.

It simply does not make any sense. How can this ensure, as the Prime Minister claims ‘that the increasing number of older Australians now and in the future will be able to access the right level of care, when they need it?’

A recent survey conducted by Taspoll on behalf of the Aged and Community Services Tasmania found that 76.4% of those surveyed in Tasmania did not think that services for the aged were adequately funded.

This finding demonstrates the level of community concern about Aged care services and the significant level of discontent with the Federal Government’s current approach to aged care.

The Government may well say, as it did when announcing in February that it will allocate an additional $1.5 billion in to the aged care sector over the next five years. What really matters though is how that money is going to be spent.

If homes such as the two I have referred to in Tasmania must close their doors, the question must be asked whether the Government has its priorities right or whether it is simply focused on the almighty dollar.

I completely understand the need for efficiencies in the provision of sustainable aged care services in Australia. Like any other business, the continuation of such services depends, in part, on them running efficiently.

But aged care services have many unique features which must also be factored into the Government’s funding model and broader policy on aged care.

We must not simply aim to provide an efficient service; we must also ensure that we are providing high quality, caring services that provide for the diverse and complex needs of older Australians.

Part of providing adequate services is taking into account factors such as whether a resident will be forced to move a considerable distance away from their local community and family.

If the Government views residents needs and value simply in terms of their funding classification it is likely that that is all that they will become.

Our lives today have become so busy that few of us can care for our aged relatives on a full time basis.

This is why many of us are forced to put our trust in residential aged care providers to take care of our family member’s day to day needs.

The Government must play its part in ensuring that older Australians are not only part of an efficient-running sector but that they continue to receive top quality care.

I recommend that the bill with the amendments I outlined earlier be passed but the chamber take note that much more needs to be done by the fed-
eral government to ensure the provision of adequate aged care services into the future.

The federal government needs to address the concerns of the aged and community care sector. Particularly the concerns expressed, by the ACST and the Tasmanian division of the Aged Care Association of Tasmania who together represent over 95% of the sector, in their current campaign.

The ACST, President Ms Susan Parr has noted that, “a system under strain [as our aged care system is] will become a system in collapse”. We must do more to ensure the provision of quality care for our aged, and go further than the government is willing to with this bill.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.28 pm)—I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator McLUCAS (Queensland) (6.30 pm)—I move opposition amendment (1) on sheet 5290:

(1) Page 2 (after line 11), after clause 3, insert:

4 Review

(1) The Minister must cause to be carried out an independent review of the operation of this Act within 2 years of the day on which this Act receives the Royal Assent.

(2) The review is to be conducted by a person or persons (the reviewing officers) who, in the Minister’s opinion, possess appropriate qualifications to undertake the review, and must include one or more persons who are not employed by the Commonwealth or a Commonwealth authority.

(3) The reviewing officers must consider:

(a) the extent to which the purposes of this Act have been attained; and

(b) the administration of this Act; and

(c) such other matters as appear to the reviewing officers to be relevant.

(4) The reviewing officers must prepare a report of the review and present it to the Minister within six months of commencing the review, and the Minister must cause the report to be presented to both Houses of the Parliament within 15 sitting days of receiving it.

Could the parliamentary secretary confirm something for me. Perhaps it is because the bill has been transferred and introduced here in an amended form. I want to confirm that the high dependency care leave has been accommodated, as well as the residential care subsidy during extended hospital leave. Those two amendments have been incorporated into the bill, I understand. I am very pleased that that has happened. They were two recommendations made by the Senate Standing Committee on Community Affairs in its inquiry into this bill. They are not substantive amendments. They are not going to affect a large sector of the aged-care community, but it was the view of the committee, and certainly the view of the Labor Party, that those two issues needed to be adopted. I am pleased about that.

However, the other recommendation made by the community affairs committee was to request that a review of the operations of the new aged-care funding instrument be formally placed in the bill. That is a reasonable request that the committee made, and it is not without precedent. In 1997, when the Aged Care Act was introduced, it represented a substantial change to aged care in Australia. As part of the Aged Care Act, the resident classification scale—what is now known in the industry as the RCS—was introduced. That was a big change to the way that facilities operated, in that resident subsidies were provided. As part of the Senate debate at the time, there was agreement that there would be a review. In fact, in Professor Len Gray’s
review of aged-care reforms, he alluded to that. He said:

... it was agreed in the Senate that a review would occur within twelve months of its implementation.

As a result of that agreement in the Senate, an internal departmental review was undertaken by Cuthbertson, Lindsay-Smith and Rosewarne. They reported in July 1998. This is not dissimilar to what we are requesting here. Professor Gray said:

The review team drew on over 100 submissions, Australia-wide consultations, departmental staff advice, and analysis and data of the operation of the RCS ...

The RCS was, like the ACFI, a big change to the way in which we fund aged care. He went on to say:

As a result of the report, a revised RCS was introduced in November 1988.

What the Labor Party is proposing here is no different from what we did in 1997. It was sensible then and it is sensible now. When you bring in a big change to the operation of such an important system in any public policy, it is important to put in place the appropriate checks and balances. That is what we are asking for here—a review that would occur 18 months from the operation, from March next year.

Initially, we thought 12 months would be appropriate, but because of the transitional nature of this legislation and the fact that there will be a period when people who are currently in aged care will be operating under the RCS—so it will take some time for the ACFI data to be collected—the committee came to the view that probably 18 months out was more appropriate. I remind the parliamentary secretary that this was a unanimous report of the committee. This was not a partisan position. It is a sensible recommendation so that we will have an ability to make sure that ACFI does do what it intends to do—that is, to reduce paperwork.

When the RCS was introduced, nobody knew that we would end up with this paperwork pile—paperwork that has necessitated that the ACFI be instituted. No-one predicted that. Here we are with another significant, major change to what we do in aged care—the way we fund it and the way we provide care to older Australians—yet we are not prepared to say that, 18 months down the track, we should have a proper review to see whether or not paperwork has been reduced. This is a simple, sensible and reasonable proposition. I am quite astonished, to be frank, that the minister did not adopt this recommendation by the community affairs committee.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.36 pm)—I thank Senator McLucas for her thoughtful contribution. The government does not accept this amendment, and let me explain why. In its report on the bill, the Senate Standing Committee on Community Affairs made five recommendations, as Senator McLucas alluded to. The Australian government has accepted all of these recommendations and amended the bill accordingly. The fourth recommendation made by the committee was that the new arrangements be reviewed after 18 months in order to assess the implications for aged-care providers and to ensure that stated benefits are in fact achieved.

Although the recommendation is accepted, the Australian government does not feel it is necessary to amend the bill—the putative legislation—to incorporate a requirement in legislation for a one-time review, as it unnecessarily binds the relevant future minister in a way that may limit the timing and scope of the review. Importantly, the government does commit to reviewing
the new arrangements 18 months after the act takes effect but does not intend to limit the scope or effectiveness of the review by imposing statutory time limits.

Specifically, paragraph 4 of the amendment moved by Senator McLucas imposes a six-month time limit on the person or persons who conduct the review. The government believes that it is not possible, prior to commencement of the new funding arrangements, to predict with any degree of certainty the scope and complexity of the review to be conducted. The imposition of a time limit may therefore place the reviewer in the difficult position of either failing to meet a legislated time frame or of performing an inadequate review of this important change in order to meet that time frame.

Additionally, the proposed amendment would require that the review commence two years after the act is granted royal assent. The bill commences on a date to be proclaimed, which is likely to be 20 March 2008 or a date 12 months after royal assent. It would be possible for royal assent to be granted in July this year and the provisions in the bill to take effect as late as July 2008. The proposed amendment therefore could require the review to commence as little as 12 months after the new arrangements commence. Instead, the Australian government is committed to reviewing the new arrangements 18 months after the act takes effect, when some mature consideration can be given, but it does not limit the scope or the effectiveness of the review by imposing statutory time limits in the legislation.

Senator McLucas (Queensland) (6.39 pm)—It seems that we are dealing with two separate amendments. The one I have is not that specific and I am actually not sure how we got to this point, to be frank.

The TEMPORARY CHAIRMAN (Senator Barnett)—Senator McLucas, can you just draw the attention of the Senate and of the parliamentary secretary to the part that is different in the amendment you are referring to?

Senator McLucas—The amendment I thought I was moving says, ‘The minister shall cause to be carried out an independent review of the operation of this act 18 months after its date of commencement.’ Paragraphs 2 and 3 seem to be the same, but my paragraph 4 says, ‘The reviewing officer shall prepare a report based on the review and, as soon as practicable after its preparation, shall cause the report to be presented to both houses of the parliament.’ I really do not know how this amendment has been circulated under my name.

The TEMPORARY CHAIRMAN—I will seek clarification, Senator McLucas, as to whether you have provided a copy of the amendment that you have to either the Clerk or the Senate.

Senator McLucas—Given that they have the same number, I am somewhat bemused, to be frank.

The TEMPORARY CHAIRMAN—Do you have a spare copy of that amendment?

Senator McLucas—I have given it to the assistant clerk. Parliamentary Secretary, while we are waiting, I could tell you about how the RCS was a disaster and we needed a review and how the review was helpful—and that is why we need to have a review. Alternatively, I could say that I am pleased that we do have on the record a commitment from the government to undertake a review within 18 months of the start-up date, which is in March of next year. That is useful to have on the record. I acknowledge the points you made about timing and I am not sure how we got to that point where it was that specific. But, in terms of the scope of the review, I think it is reasonable to ask whether the achievements, the stated aims of
ACFI, have been achieved. I wonder whether you might advise the committee of what other areas would be relevant to be reviewed, when the review is undertaken.

The TEMPORARY CHAIRMAN—Parliamentary Secretary, I just indicate that we are obtaining copies of the amendment that has been moved by Senator McLucas so that you can review it and consider your position. I appreciate that you would want to know the full details of that amendment. Would you like to make further comment?

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.42 pm)—Mr Temporary Chairman, thank you for your assistance. I am certainly looking forward to receiving a copy of the amendment. I also thank Senator McLucas for her courtesy again.

I simply say that the government feels that incorporating this in legislation would limit the scope of any potential review. The government believes that a ministerial review 18 months after the act takes effect is the right way to go and that it should not be incorporated into legislation, because that would potentially limit the scope of the review. I can say, as I think Senator McLucas noted, that the government does commit to undertaking that review and it would be broad ranging, as indicated. In fact, I believe that including such a review in legislation would limit the scope of the review. It is important that governments commit to reviewing, but incorporating a review into legislation is not necessarily the best public policy outcome.

Senator McLucas (Queensland) (6.44 pm)—by leave—I amend the amendment that I previously moved in the form that is currently being circulated in the chamber and in the form that essentially I provided to the chamber a minute ago. I move:

(1) Page 2 (after line 11), after clause 3, insert:

4 Review

(1) The Minister must cause to be carried out an independent review of the operation of this Act within 2 years of the day on which this Act receives the Royal Assent.

(2) The review is to be conducted by a person or persons (the reviewing officers) who, in the Minister’s opinion, possess appropriate qualifications to undertake the review, and must include one or more persons who are not employed by the Commonwealth or a Commonwealth authority.

(3) The reviewing officers must consider:

(a) the extent to which the purposes of this Act have been attained; and

(b) the administration of this Act; and

(c) such other matters as appear to the reviewing officers to be relevant.

(4) The reviewing officers must prepare a report of the review and present it to the Minister within six months of commencing the review, and the Minister must cause the report to be presented to both Houses of the Parliament within 15 sitting days of receiving it.

Question negatived.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.45 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
SOCIAL SECURITY AMENDMENT (APPRENTICESHIP WAGE TOP-UP FOR AUSTRALIAN APPRENTICES) BILL 2007

Second Reading

Debate resumed from 19 June, on motion by Senator Abetz:

That this bill be now read a second time.

Senator WEBBER (Western Australia) (6.46 pm)—I seek leave to incorporate Senator Carr’s and Senator Stephens’s remarks.

Leave granted.

Senator CARR (Victoria) (6.46 pm)—
The incorporated speech read as follows—
The Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007 legislates for additional financial support for first and second year apprentices to be exempt from assessment as income for tax and social security purposes.

Such additional tax-free funding for apprentices is welcomed.

Labor has long acknowledged the importance of encouraging more people into traditional apprenticeships and has been calling for a Trade Completion Bonus for apprentices since 2005. As a consequence, Labor is critical of the Government’s delay in addressing ongoing skills shortages in the economy.

This Bill exempts the value of the $2000 top-up payments for Australian Apprentices who are under thirty and are undertaking an Australian Apprenticeship in a trade occupation listed on the Migration Occupations in Demand List.

This measure is about keeping people in apprenticeships and comes two years after Labor began calling for additional payments to apprentices in the traditional trades in the form of a $2000 Trade Completion Bonus for Apprentices.

The latest annual figures show that in 2005, over 128,000 apprentices and trainees cancelled or withdrew from their courses. That is a staggering 49 per cent of all those who commenced apprenticeships or traineeships that year.

While the Government often talks about the 400,000 apprentices in training, they fail to mention that only 140,000 of these apprentices are completing their training, or the fact that less than a quarter of those in training are undertaking traditional trade apprenticeships.

Over its 11 long years in office, the average number of traditional trade apprenticeships under the Government has been about 120,000 a year. The average achieved by the previous Labor Government was 13 per cent higher, at 137,000.

When you look at completion rates for these traditional trade apprenticeships, those areas where Australia faces the most dire shortages, the Government’s record is even worse with only 24,700
traditional apprentices completing their training in 2005.

Over the term of the Howard Government, completion rates for traditional trade apprenticeships have fallen from 64 per cent in 1998 to only 57 per cent in 2005. This is significantly less than Labor’s last year in office, when Australia had an apprenticeship completion rate of more than 70 per cent.

The Government’s constant claims that there are 400,000 apprentices in training is an attempt to disguise what is really happening: less than 25,000 traditional trade apprentices are completing their training each year.

And this comes as no surprise.

In 1997 the Howard Government cut funding to TAFEs, reducing Commonwealth investment in vocational education by 13 per cent in the three years to 2000. Furthermore, Commonwealth investment only increased by 1 per cent between 2000 and 2004.

According to data from the National Centre for Vocational Education Research, real expenditure per hour of TAFE curriculum has fallen by nearly 24 per cent since 1997.

In this context, the expenditure on apprentices in the budget only begins to undo some of the damage done to vocational education and training by this Government. This Bill is welcome, but it is clearly belated.

**Labor’s Trade Completion Bonus**

In May 2005, Labor called for the budget to include a Trade Completion Bonus for apprentices to address the skills crisis, and while it has taken the Government two years to accept Labor’s positive policy proposal, it is better late than never.

Labor’s plan involved two payments of $1000 to be made to apprentices in traditional trades on the National Skill Shortage list. The payments were to be exempt from taxation or classification as income for social security purposes.

While the Government’s Apprenticeship Wage Top-Up is to be paid in the first and second years of an apprenticeship, Labor’s trade completion bonus would make one payment of $1000 halfway through an apprentice’s training, and a further $1000 payment at the completion of their apprenticeship.

The Government has, disappointingly, not taken up this key element of Labor’s proposal or recognised the need to target this extra payment towards the completion of an apprenticeship rather than simply the first two years of training.

Labor’s trade completion bonus was targeted to increase the rate of completions of traditional trade apprenticeships by providing payments to reward those who continued with their training beyond the first year, and again to those who completed their apprenticeship.

**Income Support**

This Bill allows for the Apprenticeship Wage Top-Up payments to be tax-free and not count as income for determining eligibility for income support such as Youth Allowance or Austudy.

Labor strongly supports this measure, as it means that not only will the apprentice receive the full $2000, but that the top-up will not prevent eligible apprentices from receiving additional, ongoing income support or push them into a higher tax bracket.

This tax free element of the Apprenticeship Wage Top-Up is welcome, however, it draws attention to the Government’s poor record on providing income support to Australian apprentices.

Despite making income support through Youth Allowance and Austudy available to apprentices for 2005, the harsh participation requirements for these payments have meant that only a small number of apprentices are benefiting from this support.

Of the 60,000 apprentices the Department of Education, Science and Training estimated would receive Youth Allowance in 2005-06, only one quarter of this number, or 15,000 apprentices, actually received income support.

The Department’s explanation for the low take up rate was that apprenticeship and parental incomes were higher than anticipated, yet the Government acknowledges through this Apprenticeship Wage Top-Up measure that these wages need supplementing.

Along with the failure to provide adequate financial support for apprentices and to address the
shocking completion rates, particularly in the traditional trades, the Government has presided over 11 long years of neglect and underinvestment in the vocational education and training sector.

Skills Shortages and the ATCs

Over the past decade the Government has slashed investment in vocational education and training and we are now paying a high price in the form of acute skills shortages across the country.

The Government’s own estimates show Australia facing a shortage of more than 200,000 skilled workers over the next five years.

The Government’s cynical political response to this national skills crisis, has been to spend half a billion dollars on a standalone network of Australian Technical Colleges that at best, will only produce 10,000 graduates by 2010.

While the Government has been in power, the TAFE system has turned away over 325,000 people and is crying out for additional recurrent funding and much needed investment in infrastructure.

Instead, the Government is establishing 30 duplicative Australian Technical Colleges across the country.

Of the 20 colleges that are currently open, two thirds are not registered training organisations and are being forced to use the facilities of the existing TAFE system due to delays and implementation problems.

Three years after the Colleges were announced, they are yet to produce a single graduate.

Labor’s Positive Approach

In order to seriously address the magnitude of the current skills crisis, Australia must focus on the areas of maximum impact, including:

- TAFE which are responsible for the substantial majority of post-secondary VET;
- VET in Schools; and
- On-the-job trades training.

That is why Labor has already announced a 10 year, $2.5 billion Trades Training Centres plan aimed at the 1 million students in Years 9, 10, 11 and 12 in all of Australia’s 2,650 secondary schools.

The plan will provide secondary schools with between $500,000 and $1.5 million to build or upgrade VET facilities in order to keep kids in school, enhance the profile and quality of VET in schools and provide real career paths to trades and apprenticeships for students.

As well as providing infrastructure to improve vocational education and trades training in secondary schools, last week the Federal Labor Leader, Mr Rudd and I announced Labor’s plan to introduce a Job Ready Certificate for all vocational education and training in school students. This Certificate will assess the job readiness of secondary school students engaged in trades and vocational education and training.

Students will obtain the Job Ready Certificate through on the job training placements as part of Labor’s Trades Training Centres in Schools Plan.

The Job Ready Certificate will be a stand alone statement of a student’s readiness for work and will be in addition to a Year 12 Certificate and any separate vocational education or trades training qualification.

The certificate will provide students who complete secondary school with an increased focus and awareness of the skills necessary in the modern workplace.

It will also provide employers with a tangible reference, indicating whether students are capable and ready to work.

The Job Ready Certificate will demonstrate that students possess basic workplace skills, including:

- Communication
- Initiative & Enterprise
- Self-management
- Technology
- Team Work
- Problem Solving
- Planning & Organisation

At present, there is no requirement for education and training providers to formally issue a statement of employability skills.

This has been an ongoing issue for industry, with repeated calls from the Business Council of Australia (BCA), the Australian Industry Group (Ai
Group), and the Australian Chamber of Commerce and Industry (ACCI).

As early as 2002, the Howard Government in response to these calls developed an Employability Skills Framework, its implementation, however, has stalled.

Federal Labor is committed to making education and training more responsive to the needs of industry.

Australia’s ability to meet the growing need for skilled employees across the country is crucial to ensuring our future prosperity.

The Job Ready Certificate is a key part of Labor’s 10-year $2.5 billion Trades Training Centres in Schools Plan—which includes $84 million to ensure students involved in trades training received one day a week of on-the-job training for 20 weeks a year.

It will be implemented in cooperation with industry, States, Territories and schools.

By making VET a viable option for all our secondary students, Labor’s plan will make a real and significant dent in the current skills shortage.

The longer the Government pretends a few technical colleges will make up for more than 11 years of complacency and neglect in vocational education and training, the more damage he will do to the prospects of our children and our economy.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (6.46 pm)—The incorporated speech read as follows—

I am pleased to contribute to the debate on the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007 before us this evening, and in general terms I support the measures that it contains.

The measures in this bill attempts to address one of the biggest problems confronting Australia at the moment, and that is the shortage of trade labour. Our problem is that the shortage of trade labour is now adding to cost pressures that exist in delivering projects on time and on budget in Australia. It is also at the point where it is essentially going to hold back investment in Australia and reduce export earnings. For example, in the resource and tourism sectors we do not have the available labour to fulfil our potential international commitments in the export sector.

In relation to the budget announcement, the government’s intention is to top up the wages paid to apprentices under 30 years of age and who are undertaking an apprenticeship in an area of skills shortage and that those payments will total $2,000—$1,000 for each of the first and second years of training. The payment also recognises the low level of apprenticeship wages in those first two years of training, estimated to average about $15,000 in the first year and $19,500 in the second year.

Of course, evidence could suggest that these low wage structures may be one of the contributing factors discouraging potential apprentices from undertaking training.

Labor have long acknowledged the importance of encouraging more people into a traditional apprenticeship and has been calling for a trade completion bonus for apprentices since 2005. Labor are critical of the government’s delay in addressing ongoing skills shortages in the economy but we do welcome this measure, albeit belated.

These measures respond in part to the high drop-out rates that have been prevalent for skilled trades training over the last decade. The top-up wage is also be paid to part-time and school based apprentices, who will receive $500 annually and attract the full $2,000 over time.

Labor supports the proposal contained in the bill, but I am reminded of the similarities to Labor’s previously announced policy in relation to the trade completion bonus. I believe this initiative alone does not compensate for the Howard government’s continued complacency and inadequate response to the skills shortage issues confronting the nation.

This measure is about keeping young people in apprenticeships and it comes two years after Labor called for additional payments to apprenticeships in the traditional trades in the form of a $2,000 trade completion bonus for apprentices. The latest annual figures show that, in 2005, nearly 130,000 apprentices and trainees cancelled or withdrew from their courses. That is a staggering 49 per cent of all those who commenced ap-
prenticeships or traineeships that year. While the government often talks about the 400,000 apprentices in training, they fail to mention that only 140,000 of these apprentices are completing their training or the fact that less than a quarter of those in training are undertaking traditional trade prenticeships.

The average number of traditional trade prenticeships under the Howard Government has been around 120,000 a year. Under the Hawke-Keating government, it was 13 per cent higher at 137,000 on average. In fact, completion rates under this government have been of concern, falling from 64 per cent in 1998 to only 57 per cent in 2005 compared to the rate under Labor, which was more than 70 per cent when they left government.

In 1997 the Howard government cut funding to TAFEs, reducing Commonwealth investment in vocational education by 13 per cent in the three years to the year 2000. Furthermore, Commonwealth investment only increased by one per cent between 2000 and 2004. According to data from the National Centre for Vocational Education Research, real expenditure per hour of TAFE curriculum has fallen by nearly 24 per cent since 1997. In this context, the expenditure on prenticeships in the budget only begins to undo some of the damage done to vocational education and training by the government. This bill is clearly welcomed but is well overdue.

In May 2005 Labor called for the budget to include a trade completion bonus for apprentices as a way forward to addressing the already critical skills crisis, and while it has taken the government two years to accept Labor’s positive policy proposal—it is nonetheless better late than never. Labor’s plan involved two payments of $1,000 to be made to apprentices in traditional trades on the national skills shortage list. The payments were to be exempt from taxation or classification as income for social security purposes. While the government’s apprenticeship wage top-up is to be paid in the first and second years of an apprenticeship, Labor’s trade completion bonus would make one payment of $1,000 halfway through an apprentice’s training and a further $1,000 payment at the completion of their apprenticeship.

The Howard government bill has, disappointingly, not taken up this key element of Labor’s proposal or recognised the need to target this extra payment towards the completion of an apprenticeship rather than the first two years of training. Labor’s trade completion bonus was targeted to increase the rate of completions of traditional trade apprenticeships by providing payments to reward those who continued with their training beyond the first year and again to those who completed their apprenticeship.

The bill allows for the apprenticeship wage top-up payments to be tax-free and not count as income for determining eligibility for income support such as youth allowance or Austudy. Labor strongly supports this measure as it means not only that the apprentice will receive the full $2,000 but that the top-up will not prevent eligible apprentices from receiving additional ongoing income support or push them into a higher tax bracket. This tax-free element of the apprenticeship wage top-up is welcome; however, it draws attention to the government’s poor record in providing income support to Australian apprentices—particularly from regional Australia.

Despite making income support through youth allowance and Austudy available to apprentices for 2005, the harsh participation requirements for these payments have meant that only a small number of apprentices are benefiting from this support. Of the 60,000 apprentices the Department of Education, Science and Training estimated would receive youth allowance in 2005-06, only one-quarter of this number—15,000 apprentices—actually received income support. The department’s explanation for the low take-up rate was that apprenticeship and parental incomes were higher than anticipated, yet the government acknowledges through this apprenticeship wage top-up measure that these wages need supplementing.

Along with the failure to provide adequate financial support for apprentices and to address the completion rates, particularly in traditional trades, the government has presided over 11 long years of neglect and underinvestment in the vocational education and training sector. Over the past decade the government has slashed investment in vocational education and training and as a nation we are now paying a high price in the form of acute skills shortages across the country.
government’s own estimates show Australia facing a shortage of more than 200,000 skilled workers over the next five years. The government’s cynical political response to this national skills crisis has been to spend nearly half a billion dollars on a stand-alone network of Australian technical colleges that will, at best, on the government’s own figures, produce 10,000 graduates by 2010.

While the government has been in power, the TAFE system has turned away over 325,000 and it is crying out for additional recurrent funding and much-needed investment in infrastructure. Instead, the government is establishing 30 duplicate Australian technical colleges across the country, generally scattered in marginal seats.

Of the 20 colleges that are currently open, two-thirds are not registered training organisations and are being forced to use the facility of existing TAFEs due to delays and implementation problems. THREE years after Prime Minister Howard unveiled the system of Australian Technical Colleges, still not one student has graduated and enrolments are below capacity.

It is estimated the federal Government spends $25,000 to train each students in an Australian Technical College, compared with $9500 to $12,000 for a TAFE student.

On the government’s own figures, in the face of a skills shortage of anywhere between 200,000 and 240,000 positions over the next five years, the stand-alone Australian Technical Colleges duplicated in marginal seats scattered around the countryside will purportedly produce 10,000 graduates. Such is the government’s neglect, incompetence and complacency when it comes to addressing a long-term skills crisis.

In announcing an additional $84 million over five years to establish three of these new Australian Technical Colleges in Brisbane, Sydney and Perth the Treasurer Mr. Costello did not offer any form of assistance or incentive to potential students from regional Australia to help them relocate to allow access to these colleges.

The skills shortage is hitting hard in Regional Australia. The Howard Government gives lip service to providing regionally trained professionals such as doctors and veterinarians, what about trades apprentices and Technical Colleges. Access to training institutions like the Australian Technical Colleges in regionally based locations will alleviate numerous issues. It is a commonly held belief that if you can get people trained in regional areas closer to their homes and support networks, that this will help professionals and tradespeople stay in the regions. Tertiary education has become a pathway of life for all Australian students as the job market grows and globalisation reaches our shores. For rural people, the way into a future with a sound, challenging education enabling students and families to live their lives and achieving their aspirations is having access to educational pathways. Students who live in rural and remote Australia are still being denied this access. Barriers are placed before them which severely restrict their ability to access tertiary education.

The logistics for a rural and remote student to attend tertiary studies—be they technical colleges, TAFE or any other training institutions—is more and more becoming beyond their financial means. Fuel, travel, accommodation and other costs related to attending training are increasing and inherently more for rural students.

In order to seriously address the magnitude of the current skills crisis, attention needs to focus on the areas of maximum impact, including TAFEs, which remain responsible for the substantial majority of postsecondary vocational education and training; vocational education and training in schools; and on-the-job trades training.

Labor has announced a $2.5 billion trades training centres plan aimed at the one million students in all of Australia’s 2,650 secondary schools. The plan will provide secondary schools with between half a million dollars and $1.5 million to build or upgrade vocational education and training facilities in order to keep kids in schools, enhance the profile and quality of vocational education and training in schools and provide career paths to trades and apprenticeships for students. As well as providing infrastructure to improve vocational education and trades training in secondary schools, Labor has a plan to introduce a job ready certificate for vocational education and training in schools. This certificate will assess the
The Social Security Amendment (Apprenticeship Wage Top-Up For Australian Apprentices) Bill 2007 provides financial support for some first and second year apprentices.

Apprentices aged under 30 and training in a trade occupation identified as an area of national skills shortages will qualify for $500 every six months.

Those apprentices eligible for the additional funding will include carpenters, joiners, welders, bricklayers, electricians, plasterers and fitters.

The Bill also makes this additional income exempt from assessment as income for tax and social security purposes.

These measures are about attracting and keeping young people in apprenticeships.

The Minister in his second reading speech noted that wages for apprentices are low and this is particularly true for 1st and 2nd year apprentices.

In many cases young people can earn more by taking on unskilled or semi-skilled work—by taking on work as labourers or factory hands.

It is not surprising that young people will look around at their friends who have taken on this type of work, see they have more money to spend on the week-end and decide not to take on an apprenticeship in the first place or else drop out.

The Government will make much of the fact that there are almost 400,000 apprentices and trainees. What they won’t mention though is that less than 160,000 of those are traditional apprenticeships—the area in which Australia faces the most dire shortages.

And they won’t mention that less than a third (29%) of new apprentices and trainees are tradespeople.

Or that less than ¼ of completions in 2005 were traditional trade apprenticeships.

They also won’t be drawing attention to the 2% increase in cancellations and withdrawals.

In 2005 almost 130,000 apprentices and trainees cancelled or withdrew from their courses.

Over the term of the Howard Government completion rates for traditional apprenticeships has dropped from 64% in the years 1998-2002 to 57% in 2002-05.
The Democrats recognise that we need to be encouraging more young people into apprenticeships and we need to be keeping them there. Clearly these financial incentives will go some way to encouraging young people to stay in their courses and to complete their training. It has been suggested that one possible reason for higher completion rates for apprenticeships in Western Australia and Queensland compared to Victoria and NSW in particular is because the large mining firms in Queensland and WA are offering extra pay to retain apprentices.

The Government needs to make sure that the wages of 1st and 2nd year apprentices are sufficiently attractive over the long term if it wants to encourage young people into trades. The value of top-ups will of course erode over time. But this is an inadequate response from the Government—an inadequate response to a problem of its own making.

The reality is that Australia is simply not producing enough skilled workers to feed the economy. This is the result of the Howard Government’s chronic underinvestment in education and training—something which will no doubt be seen as one of its biggest failures. And something that will reverberate through our economy for years to come. There has been a failure on the part of State and Federal Governments to chart Australia’s skilled workforce needs and there has been a failure to make sure those needs can be met by local training.

We need a concerted effort to identify skills shortage not only now but also for the future. The shortage of skilled labour can not be fixed by simply providing a little more money to the apprentices who are currently in the system. This is simply a sort term solution. More needs to be done. I think we can all agree that skilled tradespeople are scarcer than hen’s teeth.

The latest skills vacancy index produced by the Department of Employment and Workplace Relations shows that skilled vacancies for some occupational groups are still showing rises. Vacancies in electrical and electronics trades rose by 2.0 per cent; construction, 1.6 per cent; and automotive, 1.9 per cent.

The Federal Government’s response to this situation in recent years has been to allow employers to bring in skilled and semi-skilled workers to fill gaps. This has of course suited employers—after all a short term fill-up by workers who can be shipped back to their home countries when demand dries up allows them to avoid their responsibilities for investing in long-term skills development.

The number of people coming in on 457 visas has grown from 28,000 in 2005 to almost 40,000 in 2006. There have of course been problems with this programme—I am sure we have all heard the reports of workers being treated very poorly by their employers and the claims of bogus qualifications. And of course this approach can only go so far when Australia is competing for specialised workers with many other countries who are also short of skilled workers.

It is true that the Government has finally recognised what we and employer and industry groups have been emphasising for sometime—that is that Australia’s economic prosperity can not continue without real investment in skills. Unfortunately the Government is still taking a piece meal approach. It’s more bits and pieces here and there. There is no real coordinated plan. There are vouchers to help meet training costs, for literacy and numeracy courses, for business skills. There’s money to help buy tool kits. There’s money to help buy tool kits. But we need a longer term strategic solution. We need to be looking at how we structure and deliver apprenticeships and vocational training and how we encourage this as a valid career option.

We need to be looking at the role of schools in supporting the development of trade related skills. There is general agreement that more exposure and experience in trade-related skills in the mainstream school environment is desirable.
It provides students with more information to assist them in career decisions and improves student readiness for the world of work.

But not all schools provide the opportunity for students to participate in trade related subjects and apprenticeship training.

Schools need to be adequately resourced to be able to support these types of programmes, including working in with local TAFE institutes and industry.

We also know that sourcing adequate numbers of quality structured workplace learning placements for students is a problem. Industry has to step up and carry its fair share of the costs of training.

Without the appropriate involvement of post-school training institutions and workplace learning opportunities young people may not get the best possible training experience.

We also need to see trained career advisors in all secondary schools. Without information and guidance many young people are not aware of the options available to them—particularly the advantages of pursuing training which in the short term may not seem as attractive as better paying options but which longer term will provide greater career options.

Trained career advisors can support young people in navigating from school to employment and training.

But there is still work to be done on making those transitions more flexible and smoothing out the barriers between school and post-school institutions and the workplace.

Young people need to be able to move more easily between school-based training and other settings.

It also needs to be remembered that many skilled tradespeople are unwilling to train apprentices because of over-regulation, concerns about their ability to support the apprentice over the required length of time and the high, indirect costs associated with taking on an apprentice.

We need to be supporting these small and medium sized employers and the organisations that support them in taking on apprentices to a greater extent.

Without this we will not see more apprenticeship places or better completion rates.

There have been some recent moves towards shorter apprenticeships, allowing a person to progress based on achieving specific competencies rather than the number of years spent training.

Moves in this direction have the potential to make apprenticeships more attractive by allowing people to move more quickly to levels at which their pay is more adequate and their jobs more satisfying but we must make sure that quality is not compromised—either of the training experience or the outcome.

There is ample evidence that the quality of the training experience links to completion rates, so if we want to see more people finish their apprenticeships we can not afford to make apprenticeships shorter if the quality of training decreases.

We will end up no better off.

Pushing young people through training into the workforce quickly may have an appeal to the Government as a quick fix for urgent skill shortages but we do not want to see people end up with narrow, partial qualifications that will meet the needs for some immediate job but go no way to providing high quality transferable skills.

We do not want substandard tradespeople and we do not want young people who are disadvantaged in the long term because of the quality of their training.

I am encouraged by recent talk of high-level trade qualifications. Providing tradespeople with the opportunity to increase their skills and qualifications may encourage more people to stay in their profession, rather than moving to another career if they want to develop more skills.

This may also improve the status of trades within the community which will improve their attractiveness to both young people entering the workforce and those retraining or returning to the workforce.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.
MIGRATION (SPONSORSHIP FEES) BILL 2007

Second Reading

Debate resumed from 14 June, on motion by Senator Brandis:

That this bill be now read a second time.

Senator WEBBER (Western Australia) (6.47 pm)—I seek leave to incorporate Senator Ludwig’s remarks.

Leave granted.

Senator LUDWIG (Queensland) (6.47 pm)—The incorporated speech read as follows—

The Migration (Sponsorship Fees) Bill 2007 rectifies a relatively minor oversight in the drafting of the Migration Regulations that took place back in 1997. This error resulted in fees being collected for applications to sponsor temporary entry visas without there being a technical legal basis for the collection of those fees.

The Migration Regulations have only very recently been amended to fix this problem so that the collection of the fees in the future is valid. However, this bill is needed to clarify that those fees paid and collected in the past are taken to have been lawfully collected.

This very short bill provides that if a fee was paid for the sponsorship of an applicant for a temporary visa; and

(a) the application was made on or after 1 May 1997 and before 24 May 2007; and

(b) the fee was purportedly paid under regulation 5.38 of the Migration Regulations 1994, then that fee is taken to have been payable at the time the fee was paid.

It is a requirement for some temporary visas that the applicant be sponsored. However, in order to sponsor an applicant, the aspiring sponsor must apply to the Department of Immigration and Citizenship to be approved as sponsors for this purpose. Since 1989, the Department has required the payment of a fee for the lodgement of the application to have your status as a sponsor approved.

There appears to have been two sets of circumstances in which fees were invalidly collected purportedly pursuant to regulation 5.38.

The first situation is due to the failure to clarify that no sponsorship fee will be charged under regulation 5.38 where the visa application itself is not subject to either fees or charges. It was important that these two words “or charges” be included.

On 1 May 1997, the Migration Visa (Application Charge) Act 1997 came into effect. This Act introduced the ‘visa application charge’. Prior to this, the Migration Act 1958 and the Migration Regulations 1994 had referred to ‘visa application fees’. While amendments were made to the Migration Regulations to implement this change in terminology from ‘fees’ to ‘charges’, regulation 5.38 was overlooked.

Hence, up until recently, regulation 5.38 referred to the situation where, if an application for a visa is not subject to a fee under these Regulations, then no fee is payable for a sponsorship application in respect of that application.

Regulation 5.38 has recently been amended to include a reference to ‘visa application charge’ to now say:

If an application for a visa is not subject to a visa application charge, or a fee under these Regulations, no fee is payable for seeking to be approved as a sponsor in respect of that application.

So, this bill validates the previous collection of sponsorship fees for which an application charge was not itself applicable.

The second circumstance for which an application charge was payable was when technically fees were unlawfully collected between 1 May 1997 and 24 May 2007 where a gap opened up between what the usual course of practice was and when technically fees were payable under the Migration Regulations.

That standard of practice, according to the Minister’s Second Reading Speech for this bill, is that a potential sponsor will apply to the Department of Immigration to be approved as a sponsor. The visa applicant will then lodge the visa application after the sponsorship status has been approved in order to avoid losing money on an application where the sponsor would not have been approved,
and so the visa application would have been knocked back on that basis.

However, regulation 5.38 stipulated certain conditions under which the sponsorship fee was payable. It stated that the fee was payable when ‘the sponsor is a person or organisation in Australia who, or which, lodges the application on behalf of the applicant’. The regulation also referred to the relevant visa application already being ‘lodged’. Hence, the sponsorship fee was payable only where the visa application had already been lodged and also only when the sponsor themselves lodge the visa application on behalf of the applicant.

Therefore, there has been a discrepancy between what was actually presumed to be allowed under the regulations and what the regulations technically allowed. So, sponsorship fees have been collected without any specific legal basis for the collection of that fee.

The regulation was recently amended (on 13 April 2007) to rectify this problem. It now simply states that, with respect to sponsorship of an applicant applying for certain types of temporary visas, a fee is payable for seeking to be approved as a sponsor.

Hence, the bill retrospectively validates the collection of those fees between 1 May 1997 and 24 May 2007 (when the regulations were changed to allow the fees to be collected).

Labor supports the bill. It is merely a technical amendment to validate the collection of fees in the past that, due to an oversight in drafting the regulations, were not technically payable under the regulations.

The mistake is rather minor. The Minister has been upfront about the oversight and the unlawful collection of these fees.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.47 pm)—I thank Senator Webber for the incorporation of that contribution. The Migration (Sponsorship Fees) Bill 2007 seeks to validate the past collection of certain sponsorship fees between 1 May 1997 and 23 May 2007. The validation is necessary for two reasons:

Firstly, because the strict wording of regulation 5.38 of the migration regulations, which required sponsors to lodge visa applications on behalf of the visa applicant, did not accord with the standard practice of visa applicants making their own application after sponsorship has been approved; and, secondly, due to an oversight in May 1997, consequential amendments were not made to regulation 5.38 to reflect the concept of a visa application charge. This concept had been introduced into the Migration Act and regulations on 1 May 1997 to replace visa application fees. The failure to make consequential amendments to regulation 5.38 and the divergence between the words of the regulation and the normal processing arrangements for visa applications and sponsorships has meant that sponsorship fees have been collected in cases where they were not strictly payable. Remedial amendments to regulation 5.38 were made on 13 April and 23 May 2007. These amendments ensure that, from 24 May this year, sponsorship fees can be lawfully collected. The amendments proposed in this bill will validate only those fees paid in connection with visa applications made between 1 May 1997 and 23 May 2007. 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.

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS LEGISLATION AMENDMENT (CHILD CARE AND OTHER 2007 BUDGET MEASURES) BILL 2007

Second Reading

Debate resumed from 14 June, on motion by Senator Brandis:

That this bill be now read a second time.
Senator WEBBER (Western Australia) (6.50 pm)—I seek leave to incorporate Senator Stephens’s remarks.
Leave granted.

Senator STEPHENS (New South Wales—Parliamentary Secretary to the Leader of the Opposition) (6.50 pm)—The incorporated speech read as follows—

This Bill relates to a number of the Government’s recent Budget measures including those relating to child care—the one-off increase in the child care benefit and the change of the child care rebate from a tax offset into a direct payment. Labor supports these initiatives in as far as they go to helping families with the spiralling costs of child care, and we support this Bill.

Labor welcomes this extra support for Australian families, and we also welcome the Government finally acknowledging that there is a crisis in the affordability of child care in Australia, something they have consistently denied. You’d have to say this is more a pre-election fix than any real understanding of the many difficult issues families face.

Australian families are right to be sceptical of the Government’s genuine understanding of the cost pressures they face. For too long the Government has insisted that there was no problem with child care affordability in Australia.

Minister Brough has recently claimed that paying high fees wasn’t too much for families because, he claimed that “Few people have more than one child in formal care”. Yet figures from this own Department show that one third of families receiving CCB have two or more children in child care. Clearly the Minister does not understand the cost pressures on families who are juggling caring for their children and returning to work or study.

And of course we can’t forget the Prime Minister saying a few months ago that ‘working families in Australia have never been better off’. The Prime Minister is usually very careful with his words. He says things very carefully because he is a very clever politician. But he’s slipping. These comments show just how arrogant his Government has become. This Government thinks that things are so good that families should have no complaints, that they’ve never had it so good. After 11 long years in power this Government is more and more out of touch with the realities faced by thousands of working families who are struggling to keep up with their mortgage repayments, keep the car running, and keep up with the increasing costs of child care.

So after all of these statements, after months and years of families being told that there’s no problem with child care affordability, that they’ve never been better off, families are rightly sceptical that moments before an election the Government has scrambled to do something on spiralling child care costs.

I want to take a moment just to recall how much families have been paying for child care in Australia. How much their child care costs have risen, so we can put this one-off pre-election child care benefit increase in perspective.

The average cost of child care in Australia is $240 per week, with some fees as high as $350 per child, per week.

Childcare costs are rising five times faster than the average cost of all other goods and services.

According to the Australian Bureau of Statistics, out-of-pocket childcare costs for families in the last four years have increased by 12.7 per cent, 12 per cent, 12 per cent and almost 13 per cent last year.

Independent analysis by Saul Eslake of the ANZ Bank, undertaken for the Taskforce on Care Costs shows that child care affordability has declined by 50 per cent in the last 5 years.

So we have had year-on-year increases in child care costs, at over 12 per cent every year, and then moments before the election, when the Government is under political pressure from families, a pre-election 10% bonus increase appears. Parents have a right to be sceptical.

Juliet Bourke, Chair of the Taskforce on Care costs, whose own research says that costs are rising on average at 13 per cent per annum, said after the Budget “Increasing the Child Care Benefit by 10 per cent takes parents back to the position they were in a year ago.”

Let me make it clear that Labor supports the increase in the Child Care Benefit. We think that
any help the Government provides for families is welcome and long overdue. We are just sceptical of their sincerity, and doubt the Government has any real understanding of the pressures on families, because the Government has spent so long denying there’s any problem at all.

Our other concern is that this one-off increase won’t make a real difference to affordability for families because it will be absorbed by increased child care fees.

There have already been reports of centres increasing their fees by 10 per cent, the same amount as the Government’s CCB bonus.

According to one report in the Courier Mail newspaper on Thursday last week, one centre in suburban Brisance wrote to parents recently to explain their 10 per cent fee increase from the first of July, and that “the Government has increased the CCB rate from $2.96 to $3.37 per hour. This will make our fee increase a lot more affordable to families.”

Already the benefit of the increase this Bill implements will be eaten up by higher fees for families at this child care centre.

The newspaper article goes on to say:
“The nation’s largest childcare provider, ABC Learning, also is set to increase fees.”

The paper does not report what these increases will be.

On Sunday, Melbourne’s Herald Sun reported that the City of Port Phillip is set to increase daily fees from $66 to $76. An increase of 15 per cent. Glen Eira Council will also increase fees for children under two from $68 to $75, and from $64 to $69 for children aged three to five. That’s up a10 per cent increase for those families.

Labor is concerned that families across the country will miss out on the benefits of this increase because child care operators use this one off increase to net a windfall gain.

Another report in the newspaper on Thursday also puts paid to another claim from the Minister and the Government. The Minister has been very quick to claim that there is no problem with child care access in Australia. But parents know the reality, and just do not believe these denials by the Minister.

The Minister said in the parliament last week: “there is no shortage of child care for the zero to two age group, preschool age or any other age.”

A very categorical statement by the Minister on vacancy rates.

Well the Minister’s claims have been shown to be completely false by another recent report in the Daily Telegraph, and the headline that pretty much speaks for itself:

‘Yes there really is a crisis—Waiting lists refute Government’s child care claim.’

The article describes the situation faced by residents in inner Sydney. The article reveals that at the Waverley Child Care Centre there are 900 children on a waiting list for fewer than 70 places, with an average waiting time of more than two years.

And it is not alone. There are two other centres in the Waverley Council which have about 50 places and waiting lists of about 700 children each.

The children’s services co-ordinator of the Council told the Daily Telegraph: “You actually have people on the phone crying.”

It was also reported that the situation for places for newborns to two year olds was desperate.

So here we have direct evidence that contradicts the Government’s claims that there is no shortage of child care, and in particularly that there is no shortage in the nought-to-two age group.

The Government makes these claims about child care shortages at their peril. This is because the claims that there are no shortages are based on analysis that disregards parental choice. The Government’s claims about no shortages refers to availability in both family day care and in long day care. So when parents are told there are vacancies, the parent’s preferences for family day care or long day care are ignored.

Unlike the Government, Labor supports parents’ choice as to the type of child care they want for their children. We believe that there should be a range of care settings available, and that all should meet the highest quality standards. Unlike the Government we are not in the business of telling parents they should take one option for their child if they prefer another. Nor are we in
the business of denying the reality for many par-
ents that they can’t find the child care they need.
That’s what Labor has committed to addressing
the shortage of child care in Australia, and have
committed to a $200 million investment to build
up to 260 new child care centres on primary
school sites and other community land. We want
child care to be both affordable, accessible and of
the highest quality.

The other child care measure in this Budget is to
change the Child Care Tax Rebate from a tax
offset into a direct payment administered by Cen-
trelink.

These amendments to the childcare rebate are
simply the Government finally delivering on a
promise made at the last election.

At the 2004 election, the Coalition promised the
rebate would be paid from 1 July 2005. But after
the election the Treasurer made families wait until
1 July 2006 to receive rebates for the 2004-05
year.

Parents have had to wait up to two years to get
their rebate.

Government should also be more honest with
families accessing the rebate about the number
likely to receive a payment of $8,000. In the re-
cent Senate Estimates hearing, officials from the
Families Department admitted that the average
rebate per family would be $813. Minister
Brough admitted a few days ago that many fami-
lies would only receive about $300–$500 from
the rebate.

Few families are likely to receive payments of the
order the Government has claimed.

Not $8000 per child, but $800 per family. That’s
the reality, stripped of the spin. In fact the Gov-
ernment won’t even own up to how few will get
the full $8000.

Labor does support the decision to pay the rebate
through Centrelink to ensure low income families
accessing child care benefit from this assistance.

What is clear is that the Government only ever
bothers to address child-care costs in an election
year.

In addition to the two child care measures I have
previously mentioned, this Bill also amends the
Social Security Act to allow all students who re-
ceived the Carer Allowance (child) Health Care
Card (HCC) at the time they turned 16 years to
continue to have access to a health care card
while they are full-time students until they reach
25 years of age. At present only those students
who qualify for a Low Income Health Care Card
or an alternative income support payment, such as
Disability Support Pension, have access to a con-
cession card after they turn 16 years of age. This
measure will help approximately 25,000 full time
students aged 16–25 years, who are ex-Carer Al-
lowance (child) care recipients, and Labor sup-
ports this extension. We believe fundamentally
that all Australians should be able to access an
education, and this assistance will help more
young Australians with a disability to remain in
education beyond the age of 16. We support this
measure.

One area where this Budget failed was to provide
a comprehensive agenda for early childhood.
Labor wants a future for our children where their
care and development are matters of national im-
portance. The value of early childhood education
and development is overwhelming endorsed by
volumes of well documented research.

Yet under this Government, Australia spends the
least in the OECD on pre-primary education. Our
spending at just 0.1 per cent of GDP, compared to
the OECD average of 0.5 per cent.

And according to the Australian Bureau of Statis-
tics, 100,000 four year olds in Australia do not
attend preschool.

The Government’s whole approach to early child-
hood is a mess. No coherent policy agenda. No
clear directions.

In contrast the Opposition is providing fresh pol-
icy ideas and showing a new direction for early
childhood education.

Labor believes that early childhood programs are
an opportunity for foundational growth that all
Australian children should have, and we will pro-
vide it to them.

Labor has committed to providing all four year
olds with 15 hours of early learning per week for
up to 40 weeks per year. We will provide $450
million each year in new Commonwealth spend-
ing to ensure this occurs, and to make sure this
service expansion does not increase fees for parents.

Labor wants a fresh agenda for early childhood. We want to see child care accessible and affordable to parents, and maintained to the highest quality standards. We want to see early learning and development integrated with high quality care, to set our children on the path to future health and prosperity.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (6.50 pm)—The Families, Community Services and Indigenous Affairs Legislation Amendment (Child Care and Other 2007 Budget Measures) Bill 2007 gives effect to three key measures from the 2007 budget—two of them to boost childcare programs for Australian families, and the other to extend the benefits of the health care card to certain young people with disabilities and severe medical conditions. The childcare measures in the bill are a major element of the government’s investment of an extra $2.1 billion for families with childcare costs. With this extra investment the total projected expenditure in child care over the next four years is $11 billion. Families will have more choice about participating in the workforce and more opportunities for quality child care.

The bill delivers a 10 per cent increase in the rate of childcare benefit from 1 July 2007, over and above the normal CPI indexation increase applicable from that date—a total increase for families of more than 13 per cent of their current rate. Families could get up to an extra $20.50 per child per week towards their childcare fees, depending upon their incomes. Over 730,000 families should benefit from the increase, and the Family Assistance Office will adjust families’ entitlements automatically.

The second childcare measure in this bill will convert the childcare tax rebate to a direct payment by the Family Assistance Office, thus improving and speeding up families’ access to the payment. The childcare tax rebate allows families to claim up to 30 per cent of their out-of-pocket childcare expenses, up to $4,000 per child per year, indexed annually. However, because the rebate is currently accessible through the tax system as a reduction in a family’s tax liability, families have had to wait up to two years to claim so that payment accuracy can be assured. Also, families with low or no tax liability may not have been able to claim their full childcare tax rebate entitlement.

The improved rebate will, from July this year, be delivered to families directly by the Family Assistance Office. Payments will be made at the end of each financial year in which childcare expenses have been incurred, following the lodgement of tax returns, and to all eligible families regardless of tax liability. A family could receive two childcare tax rebate payments, potentially a total of $8,000 per child, after July this year if they paid for child care in both the 2005-06 and 2006-07 financial years: one payment through the tax system and one through the Family Assistance Office. The new childcare tax rebate will be a big step forward for families managing their childcare expenses.

Young people with disabilities and severe medical conditions will benefit from the third measure in this budget bill, which will extend to them the healthcare card. Carer allowance child currently provides a healthcare card in the name of the young care receiver. However, this healthcare card lapses when the young person turns 16, and they will no longer have a concession card unless they qualify for a low-income healthcare card or they have access to a concession card through their qualification for an income support payment such as disability support pension.

Around 25,000 full-time students aged between 16 and 25 who used to be carer allow-
ance childcare receivers will now be able to apply for a healthcare card in their own right. The new healthcare card will be valid for 12 months, and young people will need to reapply for it each year, confirming their full-time student status. This initiative will considerably help these young people and their families with the ongoing medical costs of managing their disabilities or medical conditions. This help with those costs will hopefully encourage students to continue their education and therefore their participation in the Australian economy in the long term. I commend the bill to the Senate.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (6.55 pm)—I seek leave to incorporate my speech on the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Care and Other 2007 Budget Measures) Bill 2007 second reading debate.

Leave granted.

The speech read as follows—

There is an urgent need to solve the many persistent problems that plague child care and early childhood education in Australia. Sadly the Government’s budget measures, while they might be nice election year gimmicks, are not long term solutions.

The budget does give belated recognition to the problem that many families have with childcare costs—although the Government’s response is woefully inadequate.

But the Government’s overall approach to early childhood education and care is still a mess—a mess the Government seems content to leave to the market place.

Where were the Government’s solutions to the lack of places, particularly for the under two’s?

There were no measures to deal with the childcare hot spots—the mal-distribution of child care services.

The Government’s own figures from the Child Care Access Hotline showed that up to 140,000 child care places sit vacant around Australia every day—or at least every week day.

At the same time the figures showed that there were 35 areas that had no vacancies at all.

Where was the solution to the lack of flexibility of many services? Or to the unsuitability of the places they are offering?

And what about problems with staffing and quality of care?

The Government’s approach to child care is always focused on increasing women’s participation in the workforce.

The aim is always about families using child care so that mothers of young children can get back into the workforce.

And that is certainly an issue. Given that there are many highly educated women not in the workforce because of caring responsibilities, helping those women into the workforce—if they are ready and willing to do that—would benefit the economy.

Our participation rate for women is very low by international standards. We are ranked 23rd out of all OECD countries behind New Zealand, the UK, Canada and the US.

Access Economics report to the HOR Balancing Work and Family inquiry last year stated very clearly that if we do not get more women to take up paid jobs—particularly full-time jobs—Australia will fall short of the long term economic outcomes identified in the 2002 Intergenerational report.

And we are not making much progress on this. Participation by women aged 20-54, particularly for the younger women, has reached a plateau.

The Government’s response to the intergenerational report was to encourage women to have more babies—at the same time they tried to encourage mothers to stay at home with their children.

That’s why we saw the baby bonus and Family Tax Benefit (B) squarely aimed at stay-at-home mums.

Many women—an indeed men—want to stay home with their children especially when they are small, so measures to support this choice are desirable.
But some women want to return to the paid workforce—whether in a full-time or part-time capacity.

And for some of these women, lack of child care, high costs of child care and working hours that make it too difficult to provide care for their families keeps them out of the workforce.

And the Government has done little to help these mothers.

For all this Government’s talk about increasing choice, the reality is that the Government has done little to help those mums who make the choice to return to the paid workforce.

Of course mothers—and it is mainly mothers we are talking about—should not have to take up paid employment if that is not what they want.

But for those who do want to go back to work, we should be making it easier.

That is why the Democrats are on record countless times extolling the virtues of a national paid maternity leave scheme provided by government, not as an impost on business.

It is why we have argued for enshrining the right to family friendly work practices in legislation—practices like

- the right to part-time work in their own job at equal pay and responsibility and
- the right to request flexible work hours and have that reasonably considered, and
- the right to paid family leave to care for sick children or parents.

All of which are really important for parents who want to meet their family responsibilities.

None of these are unreasonable and are in line with what is offered in other countries—countries which are doing much better than Australia is when it comes to women’s participation in the workforce.

In fact the Government’s workchoices legislation is likely to make it more difficult for many women.

We are unlikely to see any moves towards certainty of hours being included in work contracts—something that is especially important for mothers with childcare arrangements to manage.

And of course the loss of overtime rates for working excess hours means that in those families where the dads were working long hours not only to put food on the table but also so that their partners could be full-time parents if they wanted, those families may not have that choice anymore. The mums will need to go back to work so that the family income doesn’t drop.

That might increase women’s participation but it’s not increasing families choices about how they manage their caring responsibilities.

To come back to the measures in this Bill, the increase in the childcare benefit is welcome—assuming that child care operators don’t simply increase their fees to gobble up this on-off 10% election year largesse.

But a subsidy rise of $2 a day won’t make much difference to families spending $70 or $100 a day on childcare.

And if we remember that childcare costs have been going up by 12% each year for the last four years, it doesn’t go far to make child care more affordable.

Independent analysis from the ANZ Bank undertaken for the Taskforce on Care Costs shows that childcare affordability has declined by 50 per cent in the last five years.

This one-off 10% increase simply takes people back to where they were a year ago. It doesn’t address long term issues of affordability.

And this doesn’t do anything to help out with access to places for under two year olds. The Government has continually ignored calls for higher subsidies for under twos.

The Government is determined to pursue a privatised, profit driven child care system and yet it is doing nothing to encourage services to provide care for the youngest children. Higher staff to child ratios make it more expensive for centres to provide the service and eats into their profit margins, so they simply don’t do it.

A targeted increase in the Child Care Benefit for that age group may have gone some way to delivering better access to care for babies and toddlers.

The Government needs to face up to the many failures of the system it is encouraging.
The Bill also deals—at least to some degree—with one of the absurdities of the child care tax rebate.

Once this bill goes through parents can at least look forward to receiving the money more quickly.

Currently, the childcare tax rebate is delivered as a tax offset. This legislation will change that arrangement and convert the rebate to a direct payment to families, eliminating the costly delays in the current system.

The Democrats and many others argued when the rebate was first announced that making people wait for the benefit would not help most families.

The Government is finally seeing some sense on this, although parents will still have to wait up to 12 months.

Yes that’s half the time they had to wait previously but it’s still an annual lump paid after the fact. It won’t help families pay their weekly childcare bills.

And of course the change coming into effect in July means that parents will get a double payment.

A cynic might question the Government’s sudden enthusiasm for changing the system so that people get two payments in an election year.

And of course it is worth noting that despite the Government’s frequent reference to up to $8000 most families won’t get anything like that. The average payment so far has been about $813—even doubled that’s only $1600.

Perhaps the biggest disappointment of this Government’s response to child care has been its continuing failure to pay any more than lip service to the issue of quality when it comes to early childhood education and care.

The Government refuses to take seriously the issue of improving early learning and development for our children.

Yes access and affordability are important issues. But families are also understandably concerned about whether their children will be receiving quality care—an experience that will be good for them—that will help them grow and thrive and develop.

That is what they want when they send their children off to school. Why should they expect less because their children are not school aged?

Parents want a centre with a clean and friendly environment with adequate resources, where children will be able to develop a relationship with their carer and be exposed to appropriate activities that will help them develop and learn.

But the Howard Government is ignoring this in its quasi voucher system for child care.

It is encouraging to see that at least there is now talk about providing preschool for all 4 year olds. It should be a national shame that 100,000 Australian 4 year olds still miss out on pre-school.

But we also need to be talking about quality education and care for younger children.

We need to be talking about age-appropriate learning and development programmes provided by qualified staff for children up to 4 years old.

This means real reform of child care and it means real vision.

Of course this means tackling some issues the Government doesn’t want to know about—like improving staff-to-child ratios.

A ratio of 1 staff member to 5 babies aged up to two years is not good enough. What happens to those other 4 children if the carer is feeding or changing one of the babies?

And while we’re at it we need a plan to deal with the lack of qualified and experienced staff.

We should not be hearing stories about childcare centres using work experience students and work-for-the-dole helpers to help out with children.

We need to be moving towards a system where all child care workers have at least two-year equivalent post-secondary qualifications in early childhood development.

The National Children’s Services Workforce Study in 2006 found:

Overall, there is a projected net shortfall of 7,320 staff by 2013. Long day care has an estimated shortfall of 6,490 staff by 2013, outside school hours/vacation care are projected to have a shortfall of 1,011 staff, and occasional care services have a projected shortfall of 894 staff.
The government needs to act now. It needs to develop a workforce strategy that takes into account improved staff-to-child ratios, improves training and improves the supply of staff in the short and long term.

Encouraging people into childcare and keeping them of course means we also need to improve pay and conditions. Without this we will continue to see high staff turnover which means that the relationships between carers and children will be disrupted and the children will suffer.

Children are society’s responsibility and dollars invested on care for young children are far more effective than dollars spent at any other time in a person’s life.

The OECD Starting Strong report last year put Australia second-last of the 14 countries it looked at when it comes to spending on early childhood education and care services.

Yes the Government does spend millions on child care but it is doing little to make sure that money is an investment in our children and not just more money for share holder profits.

The third measure in this Bill is not related to child care but is also worthy of comment. This Bill lets full-time students between the ages of 16 and 25 who are ex-carer allowance recipients continue to have access to a health care card while they remain full- students.

Easing the financial burden on students is always welcome and the Democrats welcome this measure.

Question agreed to.

Bill read a second time.

**Third Reading**

Bill passed through its remaining stages without amendment or debate.

**GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2007**

Consideration resumed from 18 June.

**In Committee**

Bill—by leave—taken as a whole.

*Senator BARTLETT* (Queensland) (6.58 pm)—I move Democrat amendment (1) on sheet 5275:

1. Schedule 1, item 14, page 5 (line 8), omit paragraph 10(1)(b), substitute:
   
   (b) a member appointed to represent the interests of the Aboriginal and Torres Strait Islander communities adjacent to the Marine Park;
   
   (c) at least 1 but not more than 3 other members.

I will probably refer in passing to the specifics of amendment (2) as well, along the way, but I will just move amendment (1).

*Senator Abetz interjecting—*

The **TEMPORARY CHAIRMAN** (Senator Barnett)—Senator Bartlett, there is a question as to whether you would like to deal with amendments (1) and (2) on sheet 5275 together, or would you like to deal with them separately?

*Senator BARTLETT—* I will deal with them separately. Basically, they are alternatives. Amendment (1) is the preferred option and amendment (2) is a fallback if the Senate, by some unimaginable eventuality, actually does not agree with me and adopt amendment (1). I will move amendment (2) if nobody likes amendment (1).

Amendment (1) basically goes to the issue of the membership of the Great Barrier Reef Marine Park Authority. I touched on this in my second reading contribution to some extent, and it is also the main issue that is addressed in the report from the Senate Standing Committee on Environment, Communications, Information Technology and the Arts on the brief inquiry that they had into this legislation.

The legislation before us increases the size of the authority by one but, in doing so, it also removes the current requirement for one of the members of the authority to be representative of the different Indigenous com-
munities and tribal groups, which number about 70, who reside and whose traditional lands are along the coastal areas of the marine park. We are talking about an area that goes from the very top of Queensland—the Torres Strait and the top of Cape York—down to about Bundaberg, which is the vast majority of the Queensland coast. It is no surprise that there is a wide array and a large number of Indigenous groups and traditional owner groups covering that entire region. There is a huge diversity there in terms of their culture, history and make-up.

As I noted in my contribution to the second reading debate, the continuing trend—and the appropriate trend with regard to natural resource management and management of protected areas—is to increase the amount of Indigenous involvement in the management of those areas. Most of the national parks are managed at state level, but at Commonwealth level through Parks Australia three of the national parks—Uluru-Kata Tjuta, Kakadu and the one at Jarvis Bay—have Indigenous people on the board of management.

I am not sure of the full composition of all of the management boards but the one in Uluru-Kata Tjuta has 50 per cent Indigenous representation. Representation is half male and half female, and is also split between the two main groups that are the traditional owner groups from that particular area covered by the park. My understanding is that that arrangement works fairly well—it works better than it would without it—and that was the impression of the Senate environment committee when we examined the issue of national parks in a fairly comprehensive inquiry we conducted throughout last year, which included a visit to Uluru.

There are also examples at state level of slowly moving more towards joint or cooperative management. We have seen a couple of very significant announcements in Far North Queensland in recent times, both with regard to Cape York and areas just before that covered by the traditional lands of the Kuku Yalanji people, covering sections of the wet tropics of Wujal Wujal down to Mosman, an area which also contains the capacity and the recognition of the desirability of greater Indigenous involvement in the management of those parks—and not just the parks but some of the lands surrounding them.

That is the current framework. And totally out of nowhere we suddenly have a move that takes us back decades, with Indigenous representation—there is only one Indigenous representative on the marine park authority—just completely removed. I know the argument for it that has been put forward by the report that recommended this. The Uhrig principles say that you should not have people on government authorities that are there in a representative capacity and that they are meant to be there for their skills and expertise. Frankly, I think being an Indigenous representative does bring specific skills and expertise, so it is a little of an arcane point in some respects. But, leaving that to one side, the principle is fine to take into consideration, but to apply it without exception and to apply it without giving any consideration to the special and unique circumstances—both of the marine park and of the role of the Indigenous people whose traditional lands and waters are covered by the marine park—is quite extraordinary. I can only assume it was just an oversight and that this was just a matter of ticking a box: ‘We’ll run the ruler over the Uhrig principles, have a look and see how they apply and then just flick off the representative capacity there.’ I assume there was no real deeper consideration given to it than that.

From the evidence given to the Senate committee inquiry in terms of written re-
responses from the department, there seemed to be no meaningful consultation at all with the various Indigenous communities up and down the coast. From the information we got it seems that basically when the big review started, which, as we all heard from the second reading debate, was really about commercial fishing and how angry they were about the rezoning—it had nothing to do with Indigenous representation at all—they all got sent a letter, along with everybody else, saying, ‘There’s a review on if you want to have a say,’ There was no indication in that letter saying, ‘By the way, there’s a possibility that Indigenous representation might be removed; perhaps we would be interested in your views about that specific matter.’ There was no response from them, which is not unusual, particularly given that everybody’s understanding was that this was about whether or not the authority would cease to exist at all, or taking on the Boswell-Joyce model of destroying it completely, Queensland losing the authority and it being brought under ministerial control down in Canberra. That is what it was all about, and it was quite clear that that was still what it was all about in terms of the contributions from the Nationals senators here at the start of the week when we had the second reading stage of this debate.

That seems to be it. There were a range of meetings held between the review group and lots of stakeholders, but again, from all I can see, there were no specific meetings with Indigenous communities and representatives to discuss this specific issue. It really was just a footnote. Unfortunately, it might seem like a fairly minor matter, but it is a very significant matter not just for Indigenous people but, I would argue, in terms of the effectiveness of the authority in being able to manage the park. We are not moving towards greater Indigenous involvement in the management of protected areas because it makes us feel good or it is some token thing. We are doing it because it has been recognised that this improves the effectiveness of management—both because there is an enormous amount of expertise and traditional knowledge in the management of many of these areas that we have been ignoring and that we will be able to tap into more effectively if we have Indigenous involvement at the management level, and because, as in so many other areas of activity involving government authorities around Australia, one of the areas that we do not do particularly well, that we have struggled to do effectively, is engage with Indigenous communities in all sorts of areas.

One way to improve that—it is not the only way; it is not the fix for everything—is to have direct Indigenous representation at management level so there is more understanding within the board of management of the Indigenous perspective and Indigenous realities, more trust within Indigenous communities that they have representation there at the highest level, and just greater understanding all round that they are a key stakeholder and a unique stakeholder. You cannot just stick them alongside fishers, rec fishers, the tourist industry, residential and local government and everything else, which is basically where they are being relegated to now.

There is a promise that they will have a seat or two at the minister’s table when he puts together his advisory group, but it is a promise that is not reflected in legislation. That is not good enough. We know it is not good enough because we have moved on from that model in natural resource management in so many areas. I must repeat: the Senate environment committee in its comprehensive inquiry into national parks and protected areas unanimously found and unanimously recommended that we increase Indigenous involvement in the management of protected areas and national parks. No
coalition senator dissented from that—they all signed up to it, as they should have. It was a very cooperative and constructive report. That was tabled probably within weeks of this legislation appearing, with its line that removes Indigenous representation. You would not know from the explanatory memorandum that the specific consequence here is removal of Indigenous representation. There is simply the statement that the board would no longer have people there in a representative capacity. There is no special attention or focus given to this. I do not think there is any real realisation of how significant this is.

I urge the government to consider this. It is already on the record saying that it is going to be making further amendments to the Great Barrier Reef Marine Park Act in line with other recommendations in the review to bring it more into line and make things more efficient in how it interconnects with the Environment Protection and Biodiversity Conservation Act. There is every argument to say that this issue about whether to remove Indigenous representation should be put off to allow direct consultation about this specific issue, particularly with Indigenous communities. If it still felt that it should go ahead then it could put it in the next one. I would be very surprised if, after proper consideration, they are appointed as an Indigenous representative does not mean that they act and say, ‘I’m the Indigenous vote and I’ll go back and do what I’m told; I don’t have a mind of my own.’ They are not representative in that narrow sense of the word; they are there to bring that perspective in there. That is what will be lost, and that would be a major and very serious loss. I urge the Senate not to make this change and to adopt this Democrat amendment. It is not necessary to remove this representation, and certainly not without proper consultation and proper consideration. I see no evidence that that has happened.

Senator McLUCAS (Queensland) (7.12 pm)—Labor supports the Democrat amendment because it reinstates a set of experience and skills back on to the authority. It is not good enough. I do not think it is a strong enough guarantee for what should be a clear-cut requirement.

This amendment goes along with the expansion of the authority by an extra position, as was recommended by the review, but as part of that ensures that one of those people has to be appointed as an Indigenous representative. My fallback amendment, which at least takes on board the Uhrig principle of people not being there in a representative capacity, suggests that, if you are totally obsessed about not having anybody there that has the word ‘representative’ next to them, you at least have somebody there who is required to be there specifically because of their knowledge and expertise about Indigenous issues.

It should be put on record that the Indigenous representative that is currently there, Evelyn Scott, a very esteemed Indigenous person from Northern Queensland, has been very effective, certainly in my understanding and awareness—I am not all-knowing, but I do know a little bit—about how the authority has operated in recent times. The fact that they are appointed as an Indigenous representative does not mean that they act and say, ‘I’m the Indigenous vote and I’ll go back and do what I’m told; I don’t have a mind of my own.’ They are not representative in that narrow sense of the word; they are there to bring that perspective in there. That is what will be lost, and that would be a major and very serious loss. I urge the Senate not to make this change and to adopt this Democrat amendment. It is not necessary to remove this representation, and certainly not without proper consultation and proper consideration. I see no evidence that that has happened.
view that the government has misunderstood both the Uhrig principles and the departmental review of the Great Barrier Reef Marine Park Authority. The Uhrig principles include the principle that governing boards are most effective when members are appointed based on their relevant skills and expertise. Having an Indigenous person on the authority ensures that the skills and expertise required in order for Indigenous-specific issues to be included are there.

Who can put the view of an Indigenous Australian? No-one except an Indigenous person. Indigenous people themselves say that, when they are in a position of representing people, they find it difficult to represent others who are not of their country. It is Labor’s view and certainly my view that having an Indigenous person on the authority ensures that the relevant skills and expertise of an Indigenous person will be part of the deliberations. We cannot ensure that those issues will be included in the thinking, unless an Indigenous person is there. It is our view that the government has misunderstood not only Uhrig but also the internal departmental review, which said:

... the Review Panel recommends that members of the Authority continue to be appointed based on qualifications and experience that are relevant to the functions of the Authority.

In that sense, it is absolutely essential that a person who sits on the authority has the experience relevant to the functions of the authority. We recognise that the Great Barrier Reef is an important part of Indigenous people’s experience. Whilst we still do not have a native title claim that has been successful over areas of the Great Barrier Reef, it has been recognised through the authority’s memorandum of understanding with the Girringun people that Aboriginal peoples living along the coast of Queensland have had an ongoing connection with sea country. It is my understanding that the authority is keen to continue building those agreements in other areas up and down the coast of Queensland. The day of the Girringun agreement was fantastic. I was very fortunate to be in Townsville on that day and witness an extremely emotional ceremony that provided recognition not only from the Great Barrier Reef Marine Park Authority but also from the government of Queensland through the Environment Protection Authority that the Girringun people have a connection to that sea country. They have worked with it; they have used it. It has been part of their lives and culture for a very long time.

That is just the start. How do we expect the authority to have the ability to continue with these sorts of agreements unless we have a driver—a person who sits on the authority driving that agenda? There is concern in North Queensland from the Indigenous community that the drive that we have so far experienced will now go and that we will not have the commitment from the authority to continue recognising the important role that Aboriginal people, particularly in that part of the world, have played in the management of the reef over time. They want to continue playing that role and to be part of the management of the reef into the future.

My position is that the government misunderstood Uhrig. They did not get it. They did not understand what he meant. Uhrig said quite clearly that you do not need representation on a board. This means that you do not need to have somebody representing, for example, the tourism industry but that you should appoint people with the relevant skills and expertise. That was his point. My position is that, if you do not have an Indigenous person on the authority, you will be missing out on a huge swag of relevant skills and expertise required by the authority to deliver the sort of management that we want into the future.
Labor supports the Democrat amendment. It is sensible. Given the fact that the number of people on the authority has actually increased, what is the problem? If we were decreasing the number on the authority, there might be an element—a skerrick—of an argument. But the number of people on the authority is increasing. Why lose that expertise? Why lose those skills in the deliberations of the authority into the future? I think Senator Bartlett’s amendment is sensible. It is not hard. Everybody accepts that it would be a reasonable thing to expect that Indigenous people who have played a part in managing the reef over such a long period of time would continue to play a part at the authority level rather than being relegated to some sort of advisory role. Labor supports the amendment.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.19 pm)—The government opposes the amendment. The bill currently before the Senate implements the priority recommendations from the review of the Great Barrier Reef Marine Park Act 1975 to improve governance, transparency and accountability. The bill provides for all authority board members to be appointed on the basis of relevant experience and expertise and not be representational. This aligns with the principles of good governance articulated in the Uhrig review a few years ago. There continues to be a capacity to appoint authority members with expertise in Indigenous issues.

The Australian government acknowledges the importance of Indigenous issues in management and protection of the Great Barrier Reef. The review panel met with the authority’s board, including the current Indigenous member. There were 21 Indigenous organisations invited to participate in the review. No requests to meet or submissions were received. Important and effective mechanisms have been introduced in the past decade and provide for comprehensive engagement and partnership with Indigenous communities and their active participation in the protection and management of the Great Barrier Reef. For example, Indigenous persons are a key membership group for the 11 local marine advisory committees. The four reef advisory committees must each have Indigenous representation when one considers Indigenous issues.

Traditional use of marine resource agreements is another example. Indigenous interests will be represented on the new advisory board. I can understand that there is a difference of approach in relation to this matter and, if I might say to honourable senators, they were canvassed in the second reading speeches. The arguments are now out on the table. Senator Bartlett is correct. There were time constraints on me in doing the summing up of the second reading speech and, therefore, I may well have only devoted one sentence to the issue that he has now raised in the committee stage. That is why I have taken the opportunity of giving a more detailed and a fuller explanation than I did on the previous occasion.

Senator BARTLETT (Queensland) (7.22 pm)—I appreciate that the minister is only here in a representative capacity. Obviously in this context being a representative is fine—he is representing the minister in the other chamber—but I would like him to provide the Senate with a little bit more detail for the record, and perhaps to inform slightly better the debate on the second amendment, which I will be presenting shortly. My understanding, from the material provided to the Senate Standing Committee on the Environment, Communications, Information Technology and the Arts, was that the invitation to the 21 Indigenous organisations was the standard letter telling them that the review was starting. I wonder if the minister could indicate to the Senate whether there...
was any specific consultation with those groups or any other groups about the particular issue of Indigenous representation on the authority, and whether this was even flagged with any of them as a possible outcome of the review.

The minister mentioned meeting with the board—the authority itself—in its current capacity, including the current Indigenous representative. My understanding was that the authority’s own submission to the review supported retaining the Indigenous representative. I wonder whether the minister could clarify that. Obviously the government does not have to acquiesce to that but, given that the review met with the board, and it is being raised as a relevant matter in the context of this amendment and the subsequent amendment, it would be useful to have an indication of whether the board or the authority had a position on this one way or the other. I will not labour the point but it seems to me that one of the issues here is that this has happened almost as an aside. I would like to know whether or not the issue was flagged and debated, and what feedback came from the board or anybody else about this specific issue of Indigenous representation.

I am sure this is not the government’s intent but, as the minister himself says, this change is meant to improve governance and transparency—and there was one other word, which I cannot remember—so I do not think it is a terribly helpful thing to say that removing Indigenous representation from an authority is going to improve governance, or transparency for that matter. It seems as if a narrow bureaucratic principle is being applied without consideration to the wider and deeper issues. In any case, I would appreciate it if the minister was able to provide any little bit of that extra information to the Senate, for the record, and to slightly better inform my position, which I will speak to shortly in the debate on the second amendment.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.25 pm)—I can indicate that there was consultation. As I have indicated, the specific position of ‘Indigenous representative’ being removed from the board, as I understand it, was not specifically canvassed, but the Uhrig principles were—and that it would be an expertise based board, including best practice principles for government boards. So, by implication, that was part of it, but if I am asked whether it was directly raised I would have to tell you that my advice is that it was not.

Senator BARTLETT (Queensland) (7.26 pm)—I thank the minister for clarifying that. I will not press further on the matter of the authority’s position. My understanding was that their formal position in their submission to the review supported retraining the Indigenous representative. I am sure that if I am wrong about that I will be told, one way or another. To me that goes to the heart of the problem. I know that everyone is keen not to be here forever tonight but I think this is a very important principle and I am very concerned about its potential ramifications. It appears that this bill will go through, but I would like to call a division on this because I think, if possible, it should be clearly on the record how senators vote, particularly Queensland senators.

I would like to ask one final question of the minister. I hope he will answer it with a negative, but I think it is important to get it on the record. I have received some feedback from the community since this became known. It only really become known in the wider community and Indigenous groups—including Indigenous groups that work with natural resource management—when I contacted them once this inquiry was underway
and said, ‘Do you know this is happening?’ They said: ‘No, we didn’t know anything about it. That can’t be right; we haven’t heard anything about it. Nobody has talked to us.’ I guess the government will say that they have done everything they could and if people did not know there was only so much they could do. I will not have that debate now, but I will say that a lot of people in Indigenous communities were not aware that this was happening. As the minister probably knows—certainly the department would know—there has been a continuing push and continuing effort by Indigenous people to strengthen joint management and cooperative management in natural resource areas and protected areas.

My question to the minister is: if this Uhrig principle is just going to be applied as a blanket principle to all authorities and boards, is there a prospect that existing Indigenous representation on other national park boards—such as at Kakadu, Uluru, Kata Tjuta, and Jervis Bay—is potentially at risk down the track? Is there any prospect that those positions could be removed or weakened by using the Uhrig principle? It seems to me that they are in exactly the same position; they are there as traditional owner representatives. If we have this principle now that people are not to be there as representatives, is that a risk? I would hope not. During the hearings of the Senate inquiry that I was on, I certainly had no indication that it was at risk, but it is an issue that has been raised with me by Indigenous groups. They are asking whether this is the start of a big unwinding of a victory they assumed they had already achieved. I expect and I hope that the answer is no, but I think it is important to have the answer on the record to say that we are quarantining this issue—that we might not like it but it is only happening here and it will not happen anywhere else.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.29 pm)—The Uhrig principles will not apply to the organisations that he referred to. The positions specifically for Indigenous representatives are in the various committees that I referred to previously, like the local marine advisory committees and the four reef advisory committees. Uhrig applies only to governance of statutory authorities, and the national parks boards are not statutory authorities. Part of the impact of the Uhrig review in relation to the Great Barrier Reef Marine Park board has been that the ‘Indigenous representative’ that previously had been specifically referred to is no longer there.

We had a similar debate with Senator O’Brien during consideration of the Wheat Board legislation because specific reference to the Grains Council of Australia having a representative had been removed. I want to make it clear that the government has been applying this principle from the Uhrig review to how we can get best governance for these statutory authorities for the benefit of the Australian people. In this situation it means that it has been deemed necessary to delete the specific reference to an Indigenous representative, just as in the Wheat Board legislation it was required that specific reference to a Grains Council of Australia representative was deleted. This is a consistent principle that we are adopting throughout the statutory authorities, and those that previously had a position have expressed their upset—like the Grains Council at no longer being on the Wheat Board. That was done via Senator O’Brien. With this legislation, Senators Bartlett and McLucas, not surprisingly, are giving expression to what undoubtedly is the view of at least some if not a lot of people in the Indigenous community. I say to them that the boards that are now being put together are expertise based and there
is no reason why an Indigenous person could not be part of a new expertise based board.

A similar situation has arisen in the Australian Fisheries Management Authority. That is going to be turned into a commission, and industry representatives who are currently serving will have some difficulties. So this is a principle that is being applied, be it across land management or Great Barrier Reef management issues, the Wheat Board or the fishing authority. It is a general principle that we are applying. It stands to reason that those who will no longer hold that position will feel somewhat aggrieved, I accept that, but the Indigenous community will still have substantial representative roles in all the other bodies. I am hopeful that somebody with the appropriate expertise will be found willing and able to be appointed to the board.

Question put:
That the amendment (Senator Bartlett’s) be agreed to.

The committee divided. [7.38 pm]
(The Chairman—Senator JJ Hogg)

Ayes............ 29
Noes............ 34
Majority........ 5

AYES

Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, C.L.
Campbell, G.  Carr, K.J.
Forshaw, M.G.  Hogg, J.J.
Hurley, A.  Hutchins, S.P.
Kirk, L.  Ludwig, J.W.
Lundy, K.A.  Marshall, G.
McEwen, A.  McLucas, J.E.
Milne, C.  Moore, C.
Murray, A.J.M.  Nettle, K.
Sherry, N.J.  Siewert, R.
Sterle, G.  Stott Despoja, N.
Webber, R.  Wong, P.
Wortley, D.  

NOES

Abetz, E.  Adams, J.
Barnett, G.  Bernardi, C.
Birmingham, S.  Boyce, S.
Brandis, G.H.  Calvert, P.H.
Chapman, H.G.P.  Colbeck, R.
Cormann, M.H.P.  Eggleston, A.
Ellison, C.M.  Ferguson, A.B.
Fielding, S.  Fierravanti-Wells, C.
Fifield, M.P.  Fisher, M.J.
Humphries, G.  Johnston, D.
Joyce, B.  Lightfoot, P.R.
Macdonald, J.A.L.  Mason, B.J.
McGauran, J.J.J.  Nash, F.
Parry, S.  Patterson, K.C.
Payne, M.A.  Ronaldson, M.
Scullion, N.G.  Troeth, J.M.
Troyd, R.B.  Watson, J.O.W.

PAIRS

Conroy, S.M.  Coonan, H.L.
Crossin, P.M.  Heffernan, W.
Evans, C.V.  Macdonald, I.
Faulkner, J.P.  Minchin, N.H.
Polley, H.  Boswell, R.L.D.
Stephens, U.  Kemp, C.R.

* denotes teller

Question negatived.

Senator BARTLETT (Queensland) (7.43 pm)—I move Australian Democrat amendment (2) on sheet 5275:

(2) Schedule 1, item 14, page 5 (line 8), at the end of paragraph 10(1)(b), add “*, at least one of whom must be appointed for his or her knowledge of the land and sea management and other cultural practices of Indigenous people in areas in and adjacent to the Marine Park”.

This amendment is an alternative, as we foresaw the minister’s arguments and took on board his views. We sought to address them and put forward an alternative approach which would be consistent with the Uhrig principles. This amendment accepts the expansion of the authority by an extra one and accepts the removal of the requirement for an Indigenous representative. Instead, we add the requirement that at least
one of these people on the now expanded authority must be appointed for their knowledge of land and sea management and other cultural practices of Indigenous people in areas in and adjacent to the marine park. As mentioned by the minister and Senator McLucas, the review panel reviewing the management arrangements for the marine park recommended that members of the authority be appointed based on qualifications and experience relevant to the functions of the authority. I hope that nobody would argue that knowledge of land and sea management and cultural practices of Indigenous people in and around the park is not relevant to the functions of the authority. I think it is not only relevant but also pivotal and central.

I am sure the minister could say that that capacity is still there, that it is still open to the minister of the day to appoint somebody with this sort of expertise—and I accept that it is. But what this amendment seeks to do is ensure that that will happen. It may well be that, under the benign and insightful regime of the current minister, this will always happen, but there is a possibility down the track, much as it may horrify the current government, that the Labor Party may one day be in government, and they may not be as insightful and all-knowing as the current government and they may ignore—

Senator McLucas—we’re voting with you, Andrew!

Senator BARTLETT—I am not saying they will. All I am saying, I guess, is that you can never tell what will happen down the track—you do not know who the minister will be, which party they will be from or what the political circumstances of the time may be. Therefore, you cannot guarantee that there will always be somebody appointed who has knowledge of the land and sea management and cultural practices of Indigenous people and the areas around the marine park. The only way you can guarantee that is to put it in the law, and that is the aim of this amendment. The person would not be there in a representative capacity—although I would argue that the current person there does not function in a representative capacity in the sense of being more concerned with those they represent than the success of the entity they are responsible for governing, as is implied in the Uhrig principles. But, leaving that to one side, the effect of this amendment would be that nobody would be on the authority in a representative capacity—except arguably the Queensland government’s representative, who would still be there—but that one of them will be required to have this form of expertise. As I said, I argue that it is pivotal, essential and fundamental to the effective management of the marine park and therefore to the functions of the particular authority that we are talking about.

I would also say that Indigenous knowledge, connections and engagement with Indigenous peoples, whether in this area or elsewhere, is not a stakeholder thing in the narrow sense of the term. I note the minister’s examples from before about the Grains Council not being on the Wheat Board, or various fishery industry bodies no longer being on fisheries authorities or whatever. I really do not think that is a very good parallel, because Indigenous communities and traditional owner groups are not just an industry sector, or even a community sector in that narrow sense of the term; they do have a unique role. There are, as the environment committee report into this legislation notes, areas of the marine park where native title claims have been recognised. There are certainly other areas where native title claims are still to be determined, and I am sure that at least some of them will be successful. So there is a unique role and a unique position there for Indigenous peoples, traditional
owners in particular. Having somebody with expertise and knowledge in those areas—not a representative but somebody with the expertise and qualifications—I think is not only relevant; it is essential.

This amendment takes on board the government’s concerns about the Uhrig principles. Much as I might be a bit sceptical of the need to apply them quite so rigidly, this amendment takes those concerns on board and ensures that people will be appointed on the basis of qualifications and experience. It also ensures that one of those people will have qualifications or experience in this particular area, which I would argue is essential and pivotal. I urge the Senate to give consideration to this amendment. I think it is a good compromise, frankly, between the differing views that are being put forward—one that would increase the chances of the authority being able to do its job effectively, in all the different capacities to its job. It would also ensure that there is less risk of the authority not having somebody there who has those connections and knowledge with regard to this important area.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.49 pm)—I can understand the sentiments of Senator Bartlett’s amendment. The legislation indicates that board members need to have ‘extensive experience in a field related to the functions of the authority’. Clearly, knowledge of Indigenous issues is relevant to the matters that would be before the authority’s board. But if we start picking and choosing with the Great Barrier Reef Marine Park Authority, which has such a large and extensive range of interests associated with it, I daresay we could get a list with over a hundred different categories and classifications on it: tourism is clearly vitally important, the various rural sectors on land that might have an impact on the reef, the building sector, a whole range of scientific sectors and climate change experts. Quite frankly, the list could go on. In my own portfolio area of fisheries, undoubtedly there would be recreational fishing interests, commercial fishing interests—the list could go on. What we are saying is that we as a government will make a decision on the basis of all the requirements and the expertise that is being offered by those who ultimately make themselves available for the board. Having said that, I am happy to pass on Senator Bartlett’s views, and I assume the views of other senators as well, to the minister for when this matter of appointments is given consideration. Knowing the minister, in fact knowing all my colleagues, I think it would be one of those situations—and I do not say this often—where it might not make a real difference as to who was in government, that consideration would be had and there would be a favourable disposition to an Indigenous person being appointed. But, at the end of the day it has to be expertise based, and that is the government’s position.

Senator McLucas (Queensland) (7.52 pm)—I just have a simple question for the minister. Are expertise and skills in Indigenous issues important to the deliberations of the authority?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.52 pm)—I cannot answer on behalf of the authority, but I would have thought that that would have been important and would fit in the category of extensive experience in a field related to the functions of the authority. I would have thought having a knowledge of Indigenous issues is clearly relevant.

Senator McLUCAS (Queensland) (7.52 pm)—Can Indigenous expertise and skills therefore be provided by anyone other than an Indigenous person?

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (7.53 pm)
I would have thought that that would be potentially possible. What is important here is that it be an expertise based position rather than a representational position, but of course it stands to reason that if there were an Indigenous person who could provide expertise not only in that role but in other areas as well that would be of great benefit to the board.

*Senator McLUCAS (Queensland) (7.53 pm)*—I think that is where we differ. I think that is the fundamental point. The fight that Indigenous peoples have had in this country for a long time is on non-Indigenous people presuming to understand the relationship that Indigenous peoples have had with this country for over 40,000 years. It is highly offensive, to be frank, and Indigenous people will once again be saddened that we have gone back to a point where apparently non-Indigenous people can understand that implicit and extraordinary relationship. It is a relationship that I can not pretend to understand but at least can be empathetic towards. And I can be respectful of the fact that it is Indigenous people, and Indigenous people alone, who have a right to speak for Indigenous people. I support the amendment that Senator Bartlett has moved. Like him, I recognise that is a less strong amendment but given that, as predicted, we did not get the first one up, we will try this one.

Question negatived.

*Senator BARTLETT (Queensland) (7.55 pm)*—by leave—I move Democrats amendments (1) and (2) on sheet 5305 together:

1. Schedule 1, item 27, page 7 (line 22), after “plan”, insert “and must specifically address any relevant interests and matters relating to Indigenous peoples from the area covered by the proposed plan.”.

2. Schedule 1, item 27, page 8 (after line 30), after subsection 35(2), insert:

(2A) The Authority must consult with Indigenous peoples with an interest in an area for which a zoning plan is being prepared as part of preparing any statement under this section.

These amendments reflect recommendation 3 of the dissenting report put forward by me and Senator Siewert on behalf of the Democrats and the Greens respectively to again try to at least do a little bit more to strengthen Indigenous involvement in the Great Barrier Reef Marine Park. I will not revisit the debate we just had regarding the authority itself, but we do believe that there are other ways to strengthen engagement with Indigenous interests in the management of the marine park. I think that is needed now more than ever given the failure of the Senate to accept either of the amendments the Democrats have just put forward.

As I said before, the Senate Standing Committee on Environment, Communications, Information Technology and the Arts unanimously recommended recently that we should be looking for greater involvement from Indigenous Australians in park management as well as increased support for Indigenous protected areas. It is all the more important, given the removal of the Indigenous representative from the authority that has just happened, that other mechanisms to strengthen Indigenous involvement are considered.

I accept and acknowledge what the minister has said previously in this debate about the fact that Indigenous people will be part of various consultative committees. That is certainly important, but we do think that there are other approaches that could be made that might strengthen the requirement for engagement with Indigenous peoples in the development of various plans. I will point to why this is necessary by using the example of what we have just seen with the review of the marine park. The information
the minister provided was that, whilst there was a letter sent out to Indigenous groups saying, ‘There is a review going on if you want to contribute,’ there was no specific engagement with them about the specific possibility of the loss of their representation. I am not saying that that was done in bad faith at all. In fact, I am sure that it was not. I am certain that it was just not thought of or that people felt that, if you send out some letters and nobody responds, that is as much as people should be reasonably expected to do. I appreciate that for a whole variety of reasons it can sometimes be a difficult job to effectively engage with Indigenous communities.

The amendments before us seek to require that, in their development, plans must specifically address any relevant interests and matters relating to Indigenous peoples for the area covered by the plans. Again, I am sure that it would be possible to say, ‘This should happen anyway. It will be happening as a matter of course. It will still always be possible for it to occur.’ That is true, but there is no guarantee that it will occur. As I said, the review that has just happened, comprehensive though it was in many ways, was fairly driven by concerns around particular issues, especially those flowing out of impacts on the fishing industry.

The review that has led to this legislation did not specifically address relevant interests and matters relating to Indigenous peoples with regard to the area covered by that review, which was the whole marine park. It touched on them slightly and referred to them a little bit but it did not specifically address them in any comprehensive way. So the first amendment deals with a requirement when preparing a zoning plan—it does not have to be rezoning of the whole park, just any future zoning plan—to at least ensure that, in doing so, interests and matters relating to Indigenous peoples are included.

Before preparing a zoning plan with respect to an area, the authority must, preceding that, prepare a statement of environmental, economic and social values of the area. The amendment before us will require the authority, in doing so, to consult with Indigenous peoples with an interest in the area as part of preparing any such statement. Again, I think this is really just putting in place a safeguard. Whether it is putting together an environmental, economic and social assessment or putting together a zoning plan more broadly flowing on from that, there is requirement for consultation and it must specifically address relevant interests and matters relating to Indigenous peoples. Otherwise there is no guarantee it will happen, and I think we have just seen an example of that with the whole review itself. These things do not guarantee better outcomes, but at least they provide that extra bit of urging, that extra bit of requirement for consultation.

I will not go on at length about this, but I would note the report tabled earlier today by the Standing Committee on Regulations and Ordinances about that whole issue of consultation as a requirement in producing any legislative instrument and that the relevant department consult with affected people and detail in the explanatory statement what consultations have occurred or, if they have not, why not. Even though it is a requirement in that act in preparing all legislative instruments, a large number of departments simply do not conduct that consultation, even though they are legally required to, because there is no penalty if they do not or they give very inadequate explanations. Putting in place a piece of law saying consultation must occur does not guarantee it will happen or that it will happen adequately, but it does at least give some extra recognition and some extra urging.
Senator McLUCAS (Queensland) (8.03 pm)—I would like to indicate that the Labor Party will be supporting the Democrat amendments.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (8.03 pm)—The government will be opposing the amendments. The amendments to the zoning plan process proposed in the bill will provide a comprehensive, accountable and transparent process for engagement and consultation with all stakeholders, including Indigenous people and communities. This improved process includes the provision of a wide range of environmental, social and economic information to be provided and also extends the public consultation period from a total of two to six months. I am advised that Indigenous communities were extensively engaged in development of the 2003 zoning plan and will be consulted extensively in the future. A key initiative of the current zoning plan is traditional use of marine resource agreements. These provide for direct Indigenous involvement in park management and collaboration in identifying Indigenous activities that should be allowed in the park and in what manner. This establishes a partnership with Indigenous people in determining use of the marine park in particular areas and the marine resources of particular interest, concern and value to Indigenous people. Traditional use of marine resources agreements are similar in nature to the Indigenous land use agreements, a key mechanism through which Indigenous people are engaged in land management.

Senator BARTLETT (Queensland) (8.05 pm)—This is my final contribution on this wider issue of Indigenous involvement. I am disappointed that there is no willingness to at least provide this minimal bit of extra guarantee about adequacy of consultation. I think the minister is accurate in saying that the consultation done leading up to the major rezoning that was implemented around the marine park did include fairly widespread consultation with Indigenous peoples and that shows that it can be done. For the record, I repeat that the rezoning process, which was very comprehensive and very extensive—it extended over a long period of time—not only involved meaningful consultation with Indigenous people but also produced an extremely positive outcome for the environment. It was also a positive one for Indigenous peoples in general.

For the record, I will repeat my statement that I made in my second reading contribution: I think that rezoning of the marine park is probably the single most significant and positive environmental achievement of the
government. It is a major initiative that was extremely beneficial to the environment in the face of some difficult politics for them, and it should be acknowledged. Frankly, I often find myself being more praiseworthy of the government’s achievement in this regard than the government themselves seem to be half the time. So, as they are not keen to talk up their fabulous achievement, I will do it for them. They did it well—obviously some people were not happy, and I will touch on that again in a moment—and it did include consultation with Indigenous people. That is why it is all the more disappointing that it was not done with regard to the review that occurred afterwards. It is ironic that the review that was generated because some people were unhappy with the result and alleged inadequate consultation resulted in far less adequate consultation, at least as far as Indigenous people were concerned. There was plenty of consultation with other people but minimal consultation with Indigenous people. It is a bit of a sad irony that a review which came about because some people were not happy with the result and alleged inadequate consultation resulted in far less adequate consultation, at least as far as Indigenous people were concerned. There was plenty of consultation with other people but minimal consultation with Indigenous people. It is a bit of a sad irony that a review which came about because some people were not happy with the consultation and the process failed in a key area of its consultations.

So it is true that the rezoning did include a lot of adequate consultation, but it was not automatic that it would. I would also argue that, now that the authority does not have an Indigenous representative, it is less likely that it would do that part of it as well as it did this time around. And that is unfortunate. I do not think we can just get by with guarantees that say that reviews will be comprehensive, transparent and accountable. I would also include consultation in respect of rezoning plans and preparation of statements, which is an area we failed in so many times, including in the review that has led to this legislation.

But I hear what the minister said—he is obviously not in a position to change his view—so I would conclude by just expressing disappointment, particularly at the Queensland coalition senators. As I said in my second reading contribution, I found it extraordinary that Queenslanders—who are occasionally known for being parochial, but I am sure people from all states can be parochial—would argue that the authority should have been removed, disbanded and brought under the control of the minister and bureaucrats down in Canberra. I am pleased that has not happened, for which I congratulate and thank the government. I should also praise this review for not going down that path, but it is very disappointing that Indigenous people have borne the collateral damage along the way. I would also have to make the point because this is part of how it is perceived and it needs to be put on the record.

We heard from Senator Boswell and Senator Joyce on Monday about how they would have liked the authority to have been destroyed altogether, and they were still very unhappy with the process that occurred. I think it was an extremely comprehensive process—it could have been going all century and it still would not have made some people happy—however, that is the inevitable outcome of these things, and I understand where they are coming from. They have a constituency there, and they have fought for what they could get for them. I note that, even though there was unhappiness with the rezoning and some of the processes, there was an enormous package at the end of it. The current total for the structural adjustment package for the fisheries is $164 million in the budget, with over $120 million already provided to 1,663 different claims. With some of those claims, more than one went to the same business but on average they received over $72,000 per claim and obviously many of those would have been larger than the $72,000. So in that sense
those people who fought for that issue can claim some credit.

They got a significant amount of money for their constituents in that regard. If only people would fight so hard for Indigenous representation issues and for the needs of Indigenous people as they did for 1,663 businesses linked to commercial fishing, which managed to produce over $120 million. I have to make a comparison. I know it is not a federal government area, but the example is very relevant for Queensland and for people in these communities adjacent to the marine park, between people who were not seeking compensation for future lost earnings but were seeking payment of earnings that they were owed—the stolen wages issue. They were offered a $4,000 maximum, and for some it was for decades of work. I know it is not this government’s responsibility and not its fault, but that is how these things get portrayed. When there was a major upset amongst commercial fishers—and I am not arguing the merits or otherwise of their case—they received $160 million in uncapped payments, $70,000 or $80,000 per business, whereas Indigenous people with decades of life earnings not paid were offered $4,000, and only if they signed away all future legal rights. That is the disparity; that is why people get upset about these sorts of things. I know that is not the minister’s fault. It might be at a bit of a tangent to marine park issues, but it is not at a tangent to people on the ground, because all these things form a long line of acts and incidents. It is unfortunate that we cannot get that degree of desperation and fighting for this group in our community, who I think we all know are somewhat less well off than most of the rest of us.

Having made those points, I note that the government is not going to support these amendments. That is unfortunate. They are fairly minor amendments. The minister has given us an assurance that all of these processes will be comprehensive, transparent and accountable regardless, and I am sure all best endeavours will be made to make that so. I think our own history shows that all the best endeavours are not always good enough unless there are some extra frameworks in place to increase the chance of them succeeding. I do not think these amendments would have made things any less comprehensive, transparent and accountable, but obviously it is not to be.

Question negatived.

Senator McLUCAS (Queensland) (8.14 pm)—I move opposition amendment (1) on sheet 5254 revised:

(1) Schedule 1, page 15 (after line 27), at the end of the Schedule, add:

35 Schedule 1
Repeal paragraphs (a) to (j), substitute:

(a) commences at the point that, at low water, is the northernmost extremity of Cape York Peninsula Queensland;

(b) runs thence easterly along the geodesic to the intersection of parallel of Latitude 10° 41’ South with meridian of Longitude 145°19’33” East;

(c) runs thence south-easterly along the geodesic to a point of Latitude 12°20’00” South Longitude 146°30’00”;

(d) runs thence south-easterly along the geodesic to a point of Latitude 12°38’30” South Longitude 147°08’30” East;

(e) runs thence south-easterly along the geodesic to a point of Latitude 13°10’30” South Longitude 148°05’00” East;

(f) runs thence south-easterly along the geodesic to a point of Latitude 14°38’00” South Longitude 152°07’00” East;
(g) runs thence south-easterly along the geodesic to a point of Latitude 14°45'00" South Longitude 154°15'00" East;

(h) runs thence north-easterly along the geodesic to a point of Latitude 14°05'00" South Longitude 156°37'00" East;

(i) runs thence north-easterly along the geodesic to a point of Latitude 14°04'00" South Longitude 157°00'00" East;

(j) runs thence south-easterly along the geodesic to a point of Latitude 14°41'00" South Longitude 157°43'00" East;

(k) runs thence south-easterly along the geodesic to a point of Latitude 15°44'07" South Longitude 158°45'39" East;

(l) runs thence south-westerly along the geodesic to a point of Latitude 16°25'28" South Longitude 158°22'49" East;

(m) runs thence south-westerly along the geodesic to a point of Latitude 16°34'51" South Longitude 158°16'26" East;

(n) runs thence south-westerly along the geodesic to a point of Latitude 17°30'28" South Longitude 157°38'31" East;

(o) runs thence south-westerly along the geodesic to a point of Latitude 17°54'40" South Longitude 157°21'59" East;

(p) runs thence south-westerly along the geodesic to a point of Latitude 18°32'25" South Longitude 156°56'44" East;

(q) runs thence south-westerly along the geodesic to a point of Latitude 18°55'54" South Longitude 156°37'29" East;

(r) runs thence south-westerly along the geodesic to a point of Latitude 19°17'12" South Longitude 156°15'20" East;

(s) runs thence south-easterly along the geodesic to a point of Latitude 20°08'28" South Longitude 156°49'34" East;

(t) runs thence south-easterly along the geodesic to a point of Latitude 20°32'28" South Longitude 157°03'09" East;

(u) runs thence south-easterly along the geodesic to a point of Latitude 20°42'52" South, Longitude 157°04'34" East;

(v) runs thence south-easterly along the geodesic to a point of Latitude 20°53'33" South Longitude 157°06'25" East;

(w) runs thence south-easterly along the geodesic to a point of Latitude 21°12'57" South, Longitude 157°10'17" East;

(x) runs thence south-easterly along the geodesic to a point of Latitude 21°47'21" South Longitude 157°14'36" East;

(y) runs thence south-easterly along the geodesic to a point of Latitude 22°10'31" South, Longitude 157°13'04" East;

(z) runs thence south-easterly along the geodesic to a point of Latitude 22°31'38" South Longitude 157°18'43" East;

(za) runs thence south-easterly along the geodesic to a point of Latitude 23°14'54" South Longitude 157°48'04" East;

(zb) runs thence south-easterly along the geodesic to a point of Latitude 24°30'00" South Longitude 158°19'54" East;

(zc) runs thence westerly along the parallel of Latitude 24° 30'00" South to its intersection by the coastline of Queensland at low water; and
The purpose of this amendment is to extend the Great Barrier Reef Marine Park region to the boundaries of the exclusive economic zone. As Senator Abetz described in his speech at the end of the second reading debate, it is a large expansion of the region. But that is the important distinction that I think certainly the minister needs to understand and the Senate needs to understand. This is a simple and, I think, elegant solution to the problem that faces us. It is true that there are areas of oil prospectivity to the area east of the current Great Barrier Reef Marine Park area. That is a fact; there is potentially oil and gas there. It is also a fact that the community of North Queensland does not want that oil to be extracted. It is true that the fishing industry, the tourism industry and our communities, particularly in the areas of Townsville and the Whitsundays where the areas of prospectivity have been identified, do not want oil drilling in that area. The marine science sector do not want oil drilling. In fact no-one in North Queensland wants any part of the area east of the Great Barrier Reef Marine Park area to be exploited for oil or gas, and for very good reason. The potential damage if there were to be a spill is unimaginable. The potential damage to the natural values of the reef is something we do not want to contemplate. The potential damage to the economic values of the reef through tourism and the economic values through fishing are too horrific to contemplate.

Yet history shows us that, since the early 1960s, governments of Liberal and National persuasion have consistently tried to progress the potential of oil drilling in that area. That is why back in 2002 I moved a private members’ bill along with Senator Bartlett to extend the Great Barrier Reef Marine Park region to the exclusive economic zone and thus rule out once and for all the potential for prospecting and therefore for drilling for oil or gas in that region. Senator Abetz made the mistake in his summing-up speech in the second reading debate that many people have made. The reason this amendment is such a simple and elegant solution is that it does nothing in terms of any of the other practices of the marine park authority except rule out oil drilling and prospecting. That is the beauty of it. It does not increase the management responsibilities of the authority. The authority does nothing more because the marine park area stays the same, and that is where the jurisdiction of the authority lies in terms of bringing in management plans, ensuring that they are complied with and doing all the work that the authority does—which, can I say, it does well. All that will happen is that oil drilling and prospecting for oil and gas will be a precluded use. That is why this is a great solution.

You have to look back over some of the history that we have had to deal with in North Queensland of the potential for oil and gas in that region. We cannot forget that in 1968 the Premier of Queensland, Sir Joh Bjelke-Petersen, issued 16 licences to prospect for oil in the waters east of Queensland. In 1970 two companies—Ampol and Japex—postponed drilling near Whitsunday Island in the Whitsundays after significant opposition from the community. In 1974 we had to have a royal commission into oil drilling on the Great Barrier Reef—that is the year it concluded. At that time the commissioners were split on whether oil drilling should be allowed on the Great Barrier Reef. I find it extraordinary that we would be in a situation where we would jeopardise not only the environmental value of the Great Barrier Reef but also, importantly, its economic value to our community. In 1981 the coalition government passed an act opening the Coral Sea to oil drilling. The government
claimed that it would not allow oil drilling within 30 miles of the Great Barrier Reef. In 1990 oil exploration adjacent to the Great Barrier Reef was again proposed and the then Liberal shadow environment minister, Mr Fred Chaney, said on ABC radio:

I’m certainly in favour of continued oil exploration in prospective areas just as I’m firmly of the view that we make sure the Great Barrier Reef is protected.

There has been a consistency of approach from members and senators from the coalition on this issue. They consistently, stridently and strongly say: ‘We will protect the Great Barrier Reef from oil drilling and any potential oil spill. We love the Great Barrier Reef. It’s a fantastic thing. It’s really important.’ But at the same time they curry favour with the oil companies and quietly assure them that everything will be okay in the end.

Senator Ian Macdonald stood in this chamber the other day and said that he had spoken to the oil industry. He named a person from the oil industry—a woman who apparently only had a first name; that is unfortunate. Apparently the person he referred to told him that there was no interest in drilling for oil or gas in the Great Barrier Reef area or anywhere near it. Well, then, that makes it extremely easy for Senator Macdonald. He has been advised by the oil industry that they have no interest in it, so he can easily come in and vote for this amendment; he can easily support the extension of the Great Barrier Reef Marine Park region to cover areas where prospectivity exists. So I say to Senator Macdonald: given that you have received advice that there is no interest in this area, come over here and vote for this and protect the Great Barrier Reef—both the marine park and the area east of the marine park—from oil drilling into the future. We heard the member for Herbert, Mr Lindsay, happily talk about how passionate he is about protecting the Great Barrier Reef and how much he values it. He says that Labor’s proposal, our private members’ bill back in 2002, did not go far enough. He said in that year that the outermost reaches of the reef region needed protection and he flagged a future marine park expansion. That is not what we are doing. Mr Lindsay is suggesting that we actually increase the area that we would have marine protection over—that is, that we expand the marine park area. He went on to say that he could foresee a future boundary change.

That was back in 2002 and now it is 2007. Mr Lindsay, your crystal ball was not working. It has not changed. We are still in the situation where we have the potential for oil companies to put in licences for oil prospecting and drilling in an area that is less than 50 kilometres from the marine park area. I recall that during the debate in the 1970s, I think it was, a former National Party environment minister—I wish I could remember his name—said that he did not think there was going to be a problem with oil drilling on the Great Barrier Reef because ‘as any schoolboy knows, oil floats on water’—and so, ipso facto, we would not have a problem with the reef because the oil would float on the surface and it therefore would not touch the coral. That is the sort of mentality that drove the Bjelke-Petersen government’s management of the environment. It is the same stuff that we are dealing with now, where you can quietly talk to the oil industry and say, ‘It’ll be all right,’ and then strongly and proudly proclaim that you are going to protect the reef. Well, you cannot have it both ways.

This is a simple way of protecting the Great Barrier Reef—the marine park area and also the reefs to the east of the marine park area—from any spills associated with oil drilling. I say to the government that, if they do value the reef for its economic, environmental and social values, this is a simple
solution that does not cost a thing and it will provide protection into the future.

And we are not talking about ancient history here. You will recall, Minister, that on 28 December 2000—three days after Christmas—the government placed a notification on its website of the fact that an application for oil and gas exploration had been made by a company called TGS Nopec. There were not many of us trawling through Environment Australia’s website between Christmas and New Year, and we had a set period of time in which to respond to it. That happened. This is not ancient history; this is current. Then, only last year, Geoscience Australia published a map of areas east of Townsville—the Townsville Trough and an area near Lihou Reef—that indicated potentiality for oil exploration and drilling.

When you say to people in North Queensland, ‘This is current—this is on foot,’ they are honestly astonished. I understand that. Then you provide this evidence and they cannot believe it. They cannot believe that this government would jeopardise the natural values and also the economic values of the largest living coral reef in the world. That is what is happening here. I encourage some of the senators from the other side—those who think it is important that the economy of Queensland remains strong and that places like Cairns, Port Douglas, Townsville and the Whitsunday area remain economically viable—to come across and support this amendment. It is a sensible amendment that does one thing: it stops oil and gas prospecting and oil drilling in the areas east of the Great Barrier Reef forever. I think that that is what Australians want.

Senator McLucas (Queensland) (8.27 pm)—It is really important to understand the language here. You said that they had no interest in exploring or prospecting 'in the Great Barrier Reef'. What you need to clarify is whether they mean the marine park area or whether they mean the area to the east of the marine park area that is equally important but is not covered by the marine park area. It is equally important. The reef there is in fact more pristine than some other areas, especially on the inner reefs. There are fish species and tourism out there that are highly important. It is further out than the marine park area but it is just as important environmentally. That is the area where the oil is, or could be. That is where they want to look. That is where they want to drop these seismic measuring instruments. When the oil industry says that they do not want to prospect or drill for oil in the Great Barrier Reef, they probably mean the Great Barrier Reef Marine Park area. They cannot do it; it is a prohibited activity in the marine park area. But it is not prohibited just less than 50 kilometres to the east. If the point that Senator Macdonald is making is that—Senator Parry—He was correct.

Senator McLucas—I am not discounting it. I agree. If Senator Macdonald said that the oil industry is not interested in prospecting or drilling for oil anywhere in Australian waters east of the Great Barrier Reef Marine Park area, then he can vote for this amendment because he has had advice now from the industry that they do not want to go
there. So let us just move the region out to the EEZ and it is all over—there is nothing more to argue about. It is that simple.

Senator BARTLETT (Queensland) (8.29 pm)—I indicate the Democrats support for this amendment. It replicates a piece of legislation that Senator McLucas and I, in joint names, have had before the chamber—so I had better support it or I would be voting against my own bill, in effect. I think she has put the arguments well as to why it is desirable. There is clearly interest in areas outside the current marine park boundaries. Extending the region, which is the criterion that the current prohibitions operate under, would ensure that the sites that have been identified—that are on maps and that are outside the park boundary but would be within the region—are also protected. I think that would be beneficial for a whole lot of reasons. One could also go on about climate change and carbon emissions and the desirability of perhaps not encouraging more oil prospecting and the like, but I will not go down that path at this stage. Suffice to say we support the amendment.

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (8.30 pm)—We have had this amendment proposed by the opposition described as ‘great’ and ‘elegant’ and all sorts of other words. Unfortunately, the government does not agree that the proposed amendment is great and elegant. In fairness, Senator McLucas raised a number of issues, and I feel that I should deal with those. The extension of the Great Barrier Reef region in the manner proposed by the amendment was considered in the context of the review of the act. The review noted that the Coral Sea, while containing ecologically important areas, is separated from the Great Barrier Reef by an area of deep water and forms a largely distinct ecosystem. The review therefore concluded that, where protection is appropriate, the establishment of Commonwealth reserves under the Environment Protection and Biodiversity Conservation Act 1999 is the appropriate mechanism rather than extension of the Great Barrier Reef region. Two such Commonwealth reserves already exist—Coringa-Herald and Lihou Reef national nature reserves.

Furthermore, the Australian Coral Sea area is currently the subject of marine bioregional planning. In last year’s budget the government allocated more than $30 million for marine bioregional planning, a significant proportion of which is being spent to better understand the conservation values and human uses of the Coral Sea. This information will lead to the establishment of a network of representative marine protected areas throughout the Coral Sea as an adjunct to the Great Barrier Reef Marine Park and the two existing Coral Sea Commonwealth reserves. There are no active oil and gas leases in the area and there has been no recent oil and gas exploration. Only relatively small areas of the Coral Sea are thought to be prospective for oil and gas. Other potential pressures, such as those from tourism and fishing, are also known to be low at present.

In the absence of real threats to the ecological integrity of the Coral Sea and the Great Barrier Reef as a result of activities in the Coral Sea, it would be difficult to justify pre-empting the marine planning process with an ill-considered extension of the Great Barrier Reef region. The proposal would not simply prohibit mining in those areas; it would make the Great Barrier Reef Marine Park Act 1975 the basis for managing Coral Sea areas rather than the more appropriate framework of the Environment Protection and Biodiversity Conservation Act. This would prevent further Commonwealth marine protected areas being established in the Coral Sea to complement Coringa-Herald and Lihou Reef, thereby appropriately pro-
tecting important areas of biodiversity in the Coral Sea. Extending the Great Barrier Reef region in the manner proposed would add around 980,000 square kilometres to the current 345,000 square kilometre area of the Great Barrier Reef region, an excessive addition to a buffer for the Great Barrier Reef.

The Great Barrier Reef Marine Park Act 1975 already provides mechanisms for managing activities outside the marine park that impact on the marine park. Furthermore, the Great Barrier Reef outlook report proposed in this bill will facilitate the identification and assessment of any risks to the ecosystem of the Great Barrier Reef, including potential threats from petroleum and mining areas outside the marine park. Oil drilling activities in the Coral Sea are likely to trigger the environmental approval provisions of the EPBC Act. This provides a mechanism for regulating oil and mining activities that will potentially harm the Great Barrier Reef. The government recognises the importance of, and has made great progress in, protecting the Great Barrier Reef and Australia’s marine environment more generally. It will continue to base its policies and legislative program on good science and prior consultation with affected businesses and communities. The government will be opposing the amendment.

Question put:
That the amendment (Senator McLucas’s) be agreed to.

The committee divided. [8.40 pm]
(The Chairman—Senator JJ Hogg)

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

AYES
Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, B.J.
Brown, C.L.  Campbell, G.

NOES
Evans, C.V.  Hogg, J.J.
Hutchins, S.P.  Ludwig, J.W.
Marshall, G.  McLucas, J.E.
Moore, C.  Nettle, K.
Sherry, N.J.  Sterle, G.
Webber, R.  Wortley, D.

Question negatived.
Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading

Senator ABETZ (Tasmania—Minister for Fisheries, Forestry and Conservation) (8.43 pm)—I move:

That this bill be now read a third time.
APPROPRIATION BILL (No. 1) 2007-2008
APPROPRIATION BILL (No. 2) 2007-2008
APPROPRIATION BILL (No. 5) 2006-2007
APPROPRIATION BILL (No. 6) 2006-2007
Second Reading
Debate resumed from 19 June, on motion by Senator Abetz:
That these bills be now read a second time.

Senator MURRAY (Western Australia) (8.43 pm)—As the Democrats finance spokesperson, I rise to speak to the five appropriation bills before us. At the outset, let me make it clear that the Democrats support the passage of these bills. Appropriation Bill (No. 1) 2007-2008 appropriates close to $59 billion for the ordinary annual services of government—that is, for ongoing expenditure. The main provisions are practically identical to the Appropriation Act (No. 1) 2006-2007. In that bill nearly $20 billion goes to Defence. Appropriation Bill (No. 2) 2007-2008 appropriates approximately $10.1 billion for funding for other expenditure and agencies. In terms of the compact of 1985, Appropriation Bill (No. 2) is meant to be for non-annual services, for new policies and other projects of government. It should be noted that the minister can determine terms and conditions for the payment of money and withhold it if the terms and conditions are not met by the territories or local government. Appropriation Bill (No. 5) 2006-2007 provides for additional appropriations relevant to the 2006-07 financial year and concerns expenditures in Appropriation Bill (No. 1) of that year. The total of the items specified in schedule 1 is close to $555 million.

The additional appropriation in Appropriation Bill (No. 6) 2006-07 is around $259 million. This funds an additional $250 million to the Department of Transport and Regional Services for the AusLink Strategic Regional Program. The funding increase is partially offset by savings in other programs. Both Appropriation Bill (No. 5) and Appropriation Bill (No. 6) seek approximately $840 million and the major items provided for are an increase of $66.3 million for the Department of Education, Science and Training and $435.8 million for the Department of Health and Ageing. The last appropriation bill is the Appropriation (Parliamentary Departments) Bill (No. 1) 2007-08, which appropriates $170.7 million out of the consolidated revenue fund for expenditure in relation to the Department of the Senate, the Department of the House of Representatives and the Department of Parliamentary Services.

I cannot deal with all the matters in these bills so I will concentrate on a few themes. Over the last decade or so the shape of public finance has radically changed. The principal features of the new regime are output based budgeting and appropriations and accrual accounting, and the main statutory reflection of the change is the Financial Management and Accountability Act 1997. There are great advantages in this new public finance system. It gives executive government a better picture of its total financial position and the resources at its disposal and facilitates government control over its total budget.

It has, however, some negative features, and these relate to the transparency of funding and expenditure and accountability to parliament. A report presented in March 2007 from the Senate Standing Committee on Finance and Public Administration, on which I sit, entitled Transparency and ac-
countability of Commonwealth public funding and expenditure represents an attempt to overcome those negative aspects of what is otherwise a positive current system. In essence, the committee was unequivocal in its recommendations to government that transparency and accountability requires improvement. It stated:

The Committee has made several recommendations and a number of suggestions which, if adopted, would go some way to restoring the Parliament’s constitutional and historical prerogatives with regard to the control of the Executive’s funding and expenditure.

This statement by the committee should not be dismissed lightly. It draws on evidence received during the inquiry from the Australian National Audit Office, the Department of Finance and Administration, academics in the fields of finance, accounting and governance, parliamentary officers and others.

The main problem from a parliamentary point of view is that the annual appropriation bills now bear a somewhat tenuous relationship with actual public funding and expenditure—much more tenuous than they did in the past. The appropriation bills do not give a true picture of the funds available to government or the purposes for which they are to be expended. In the first place, the annual appropriations now account for something less than 20 per cent of the resources available to government. Most of the money comes from so-called ‘special appropriations’ or ‘standing appropriations’, which are provisions in hundreds of acts of parliament appropriating money for particular purposes in the longer term, usually of indefinite amount and often of indefinite duration. These appropriation provisions have proliferated to the extent that government itself does not have a full picture of them. A report by the Auditor-General in 2003-2004 found significant illegalities and lack of proper management and control in these special appropriations. I stress that in many cases the illegalities were regarded as technical rather than substantive.

In addition, departments and agencies have available to them other sources of funds which are not reflected in the appropriation bills. Those sources are, firstly, advances to the Minister for Finance and Administration, which are funds for urgent and unforeseen or overlooked expenditure and which potentially amount to $390 million in the appropriation bills for the financial year 2007-08. A second source is that departments are able to carry over surpluses from their annual appropriations, providing them with cash to add to their appropriations in the future. A third source is where these surpluses are increased by building provision for depreciation into annual budgets. The next source is that revenue raised by departments may be retained by agreement of the Minister for Finance and Administration under section 31 of the FMA Act. Further, special accounts are created by the Minister for Finance and Administration under sections 20 and 21 of the FMA Act, and in 2002-03, when the accounts were last audited, this amounted to $3.4 billion into which some revenues are directly paid. Lastly, appropriations of an unspecified amount are made under section 30A of the FMA Act to allow payment by departments of the goods and services tax.

In past years the Minister for Finance and Administration could also increase the annual appropriations of departments within specified ceilings, totalling $40 million in the appropriation acts for 2006-07. Reports by the Auditor-General found problems with special accounts and the system of retaining surpluses similar to those encountered with special appropriations. As a result, it is no easy exercise to determine the total funds available to departments and agencies.
The Senate Finance and Public Administration Committee made a number of recommendations to improve transparency and accountability to parliament of public finance. In summary, these recommendations encompass: the presentation to parliament annually of a full account of expenditure from special appropriations; regular and systematic review of special appropriations to ensure that they are still required for purposes deliberately continued by government; full reporting of transfers of expenditure between different forms of appropriation, for example, between annual appropriations and special accounts; improved accounting for revenue retained by departments and agencies; retention of unspent appropriations by departments and agencies only for specific and justified purposes deliberately approved by government; full reporting of transfers of expenditure between different forms of appropriation, for example, between annual appropriations and special accounts; improved accounting for revenue retained by departments and agencies; retention of unspent appropriations by departments and agencies only for specific and justified purposes deliberately approved by government; accounting for expenditure from GST revenues by states and territories; reframing of outcomes to reduce their ambiguity; reporting of expenditure at the level of programs in the budget documents, including the appropriation bills; expediting the harmonisation of accounting standards; a better system for funding depreciation rather than inclusion in annual appropriations; a review of the content and nature of portfolio budget statements; and a settlement of the permissible content of appropriations for the ordinary annual services of the government.

These changes cannot be implemented without the cooperation of government. It is up to the Senate and all parties in the Senate to convince the government of the day, in this case the coalition government, that these recommendations are in its and the country’s best long-term interests, because lack of accountability does cause problems for any government, and all governments in the long run.

Some of these difficulties came forcibly to parliamentary and public attention with the government’s workplace relations advertising campaign in 2005. Some $55 million was spent on an advertising campaign for legislation which had not even been introduced into the parliament, much less passed by the parliament. This expenditure was charged to outcome 2 of the Department of Employment and Workplace Relations, which read ‘Higher productivity, higher pay workplaces’. Outcomes expressed in terms like these allow government enormous scope to invent and spend large sums on entirely new projects, even those which have not been notified to the parliament, much less submitted for parliamentary approval. It is now notorious that the High Court held that this expenditure was validly authorised by parliamentary appropriation and was entirely legal.

I do not think here is the place for analysing that judgement in detail, except to say that I agree with the minority justices that it did overthrow established High Court precedent and it did allow any government to spend money pretty well on whatever it pleased, providing the original appropriation was in the appropriate bill, even though it was expressed in the widest of terms. I quote two passages in the separate judgement of the Chief Justice:

If Parliament formulates the purposes of appropriation in broad, general terms, then those terms must be applied with the breadth and generality they bear.

The higher the level of abstraction, or the greater the scope for political interpretation, involved in a proposed outcome appropriation, the greater may be the detail required by Parliament before appropriating a sum to such a purpose; and the greater may be the scrutiny involved in a review of such expenditure after it has occurred.

I think the High Court were right in that they threw the ball directly back to the parliament. It is up to the parliament and parliamentarians, it is up to the political parties, not the courts, to ensure that government
expenditure is sufficiently transparent and accountable.

This difficulty is nowhere more apparent than with the new heights the coalition government has scaled in recent government advertising expenditure. Consider these figures: The 2005 report of the Senate Finance and Public Administration References Committee, Government advertising and accountability, revealed that ‘media spend’ between 1996-97 and 2003-04 was well over $1 billion on advertising placement alone. I say alone, because this figure excludes production and advertisement agency costs and related market research, otherwise known as ‘below-the-line’ expenditure. It also excludes the whopping $55 million expended on the 2005 Work Choices advertising campaign. Consider also current government expenditure. We have $40 million being spent on advertisements spruiking its Work Choices legislation; we have the $69 million superannuation ‘information’ campaign; and we have the upcoming multimillion dollar ‘climate clever’ campaign to be funded out of the $52.8 million assigned to climate change awareness in the budget.

The Labor Party and others estimate that the Howard coalition government over the last 11 years has spent a colossal $1.7 billion of public funds on government advertising since coming to power. If you add the below-the-line costs it would be more, because reporting on ‘communications’ expenditure is very loose and difficult to pin down, a cause of complaint from Dr Sally Young, a leading academic researcher and commentator who has tried to analyse this area.

The public purse is not there to be used to prop up a government’s electoral campaign. It is there to provide essential services. In the finance committee’s estimates in May, I cited the Australian’s Steve Lewis. He wrote:

The Coalition’s exorbitant use of taxpayers’ money to advertise government propaganda represents a multi-million dollar swindle. Steve Lewis is a very senior journalist but he is not exactly a radical lefty. He continues:

There is little justification for the advertising blitz, which is filling the coffers of Australia’s media companies but making a mockery of the Coalition’s pretence to be guardians of fiscal prudence.

There is substance to this view. For the financial year 2005-06, Nielsen media research listed the Howard government as the second highest advertiser in Australia behind the Coles-Myer group. Critically, this abuse of budgetary discretion by the executive to promote partisan political material is part of a much larger argument. It is part of perhaps the most profound of all political issues in the history of our democracy, and that is the decline of parliament’s ability to control executive spending.

The Senate committee’s Government advertising and accountability report that I referred to earlier makes this patently clear. I remember well the regret I felt when speaking to this report’s tabling. That regret was because, quite apart from exposing the aggressive misuse of public moneys by the coalition government, it also revealed a disgraceful disregard for accountability measures—a disgraceful disregard, in my view. It laid bare how executive power can render the parliament powerless to control or even restrain government spending on politically contentious advertising activities. It revealed how the appropriations process has been perverted to permit almost ‘anything goes’ in spending in this area. The critical point to recognise is that the High Court has told us that this is perfectly legal and legitimate. So it is a moral, ethical and accountability problem; it is not a problem of law and legality.

The essence of the matter is this. We now have a parliament as an adjunct to, or even
the creature of, the executive—a situation that has escalated and does need to be addressed. The Work Choices advertising campaign amply demonstrates the tussle between the executive and the parliament and that tussle now continues through the current stronger safety net for working Australians campaign. It is typically characterised as a tussle between two political parties, namely those contending for the right to be the government of Australia. But it is much more than that. It is fundamentally a tussle between the executive and parliament. Of the current IR campaign, Jack Waterford in the Canberra Times on 23 May wrote:

By any standards, the ads are beyond the pale in abuse of incumbency.

Respected academics in this field Graeme Orr and Joo Cheong-Tham wrote in the Age on 17 May:

Leaving aside the fact that there are no details until a bill is drafted and Parliament debates it, the style, content and timing of the ads give away their partisan intention. Their purpose is to attempt to neutralise an issue on which the Coalition is vulnerable. If the aim were purely informational, the Government would wait until the law was settled.

I must stress that the Democrats take no issue with government advertisements that inform Australians about taxpayer funded government programs and services, or that are directed to issues of public health and safety, or that are otherwise in the public interest. However, we oppose outright governments misusing public funds to pay for partisan ads under the guise of legitimate government spending. It is and always will be a thoroughly corrupt process. It borders on fiscal fraud and it should cease. Australia should catch up with the other democracies that have imposed constraints on the use of public resources for electoral campaigning. The amendment we are once again jointly moving with Labor seeks to impose far tighter rules on government advertising. I welcome federal Labor’s commitment to much greater accountability in this area.

The last and very current issue is whether the Prime Minister’s taxpayer funded official residences should ever be used for party political fundraising, either directly or indirectly. The answer from the Democrats and Labor is an unequivocal no. It is totally inappropriate for Kirribilli House ever to be used for formal party political matters by any Prime Minister or political party. It does not matter what the cost or imputed cost is and it does not matter if the Liberal or any other party pays for part or all of the cost. The point is that the principle is just wrong and the practice should be prohibited. The Labor/Democrats amendment tries to do just that. Kirribilli House or the Lodge definitely should not be used to raise campaign funds for political parties, either directly or indirectly.

The last point I make—and I ask for your forbearance briefly, Mr Acting Deputy President, because we are bound to get a bill seeking appropriation for this a little later—is the government’s announcement today of its intended actions with respect to the Northern Territory issues. For my part, I welcome the Prime Minister of Australia taking leadership in this area. We have to pay very much attention to the future, and to do that we have to deal with the present. I know it is going to be an extremely contentious area; I have already seen some remarks which are suggesting racism and authoritarianism. I do not leap to those judgements. I think that if you continue to argue, as I do, that excessive alcohol use and alcohol abuse is bad for the community in any shape or form—black, brown, white or yellow—you have to do something about it; you cannot just tut-tut on the side. And if you feel the same way about the sexual assault and abuse of children you have to do something about
it. So I for one am glad the Prime Minister of Australia is getting onto this issue. Of course, that is not to say that his proposals should not be carefully examined, and those which are inappropriate or maybe wrongly phrased will not be immune from criticism. This issue of great national importance deserves to be examined with care, but I think leadership is necessary in this area and I am glad that that is about to occur.

Senator WONG (South Australia) (9.03 pm)—I rise to speak briefly on Appropriation Bill (No. 1) 2007-2008 and cognate bills and to address myself to the two sets of amendments that Labor, in conjunction with the Australian Democrats, intends to move in the committee stage. The first issue I address is government advertising. We have seen from the government an extraordinary propensity to treat taxpayers’ money as its own. Over this last period, particularly through Senate estimates, it has been disclosed that this government proposes to spend millions of dollars prior to the next election. We have had the extraordinary example of around $4 million being spent in some six or seven days on the latest tranche of the industrial relations campaign, the Work Choices mark 2 campaign. We saw around $24,000 an hour being spent by this government on advertising Work Choices mark 2. I remind the chamber that this second tranche of advertising is on top of the $55 million of taxpayers’ funds that the government has already spent on advertising Work Choices mark 1. One of the most telling examples of the wastage associated with this campaign and the way it has been all about propaganda is the example of the booklets. I am sure all parliamentarians would remember the very pretty yellow Work Choices booklet, and that millions were—
what they are able spend through what they have budgeted for between now and the next election, it is about $1.8 billion—nearly half of that since the last election. This is unprecedented expenditure of public moneys on political campaigns. This is a government that, frankly, treats taxpayers’ money as its own.

Together with Senator Murray, we are moving an amendment and a request for amendment in the bills before the chamber which seek to impose some discipline, some propriety and some accountability on expenditure of public moneys for advertising purposes. The amendment being moved is consistent with the policy commitment that Labor has made: that advertising projects in excess of $250,000 must be assessed against clear and transparent guidelines and that such assessment should be undertaken by the Auditor-General or their delegate. That is a very significant commitment. In addition, the Labor Party has indicated that we will work through the COAG process to try and achieve consistent principles in relation to government expenditure on advertising across jurisdictions. We think the Australian people are tired of having their taxpayers’ funds used in blatant political advertising, and I suggest that Australians regard it as inappropriate. These are not premises which are someone’s private home—they are official residences funded by the taxpayer and they ought to be treated as the privilege they are. They are certainly not a private fundraising playground for the Liberal Party of Australia. Those are the two amendments that Labor is proposing to move in conjunction with Senator Murray. Unless it is necessary, I will not address these issues in substantive detail again in committee, but I am happy to do so if the government wants the debate.

Senator CHAPMAN (South Australia)—Tonight in the context of the debate on the Appropriation Bill (No. 1) 2007-2008 and cognate bills I had intended to address the lifeblood of the Australian economy: the skilling of our nation and putting our most precious resource—people—at the core of the debate through the government’s very strong focus in this budget on education. I was also going to contrast those government initiatives with the sham education revolution put forward by the Labor Party, which is really simply a poor reproduction of the then British opposition leader’s education revolution. But in view of the lateness of the hour, and the fact that there are other matters to deal with at the committee stage of this debate, I seek leave to incorporate those remarks in Hansard.

Leave granted.

The incorporated speech read as follows—

Mr President, tonight I wish to address the life blood of the Australian economy—the skilling of
our nation and putting our most precious resource, people, at the core of the debate.

A well-educated and skilled population increases workforce participation and allows every Australian to make a contribution to themselves, their families and the broader Australian community.

Before turning to the Howard Government’s continuing commitment to this critical concern, we need to know the real story behind the Leader of the Opposition’s “Education Revolution”.

A widely reported fact regarding the launch of Mr Rudd’s “Education Revolution” is that it is simply a poor reproduction of the then British Labor Opposition Leader’s “Education Revolution”.

What has ensued over the succeeding months to-date has reinforced this fact.

Having had many months to fill the policy void with substance, Labor has instead put up a motley set of weak and irresponsible policy responses attended by a selective and misleading use of statistics to discredit the Government’s demonstrated long-term commitment.

The Labor Party prefers to spend its time fishing for deception rather than putting forward responsible policy platforms which build strength and capacity into the Australian economy over the long-term.

In this context, it is important to correct a few of the misleading and blatantly misrepresented statistics Mr Rudd has put forward to artificially bolster his empty policy slogans.

Australia’s public spending on tertiary education has NOT declined by 7 percent between 1995 and 2003 as Mr Rudd claims.

The OECD figures used by Mr Rudd exclude 75% of funding for vocational and technical education, which is included for other countries.

When comparing apples with apples, OECD figures show total Australian expenditure on tertiary educational institutions actually increased by 25% in real terms between 1995 and 2003.

Also, Australian Government investment in Australian universities increased by 7.7 percent in real terms over that period.

In more recent months the Labor Party and Unions have been running a public misinformation campaign, deliberately misrepresenting the true nature of funding for schools.

The fact is, State and Territory Governments own, operate and have primary funding responsibility for State Government education systems.

The Howard Government takes its financial responsibilities in supporting the state-based school system very seriously, as demonstrated by a record 70% funding increase in real terms since 1996.

This is while enrolments in public schools increased only by 1.2% over that time.

Further, 67% of all students are in State Government schools and receive 75% of total taxpayer funding.

I also highlight that under long established funding arrangements, Federal Government funding is linked to State Government funding, with any increase in State Government funding to schools automatically matched by Commonwealth funding.

Realising more is needed: the Howard Government continues to go well beyond this agreement as demonstrated in the 2006 Budget, increasing total funding to State Government schools by 11% while State Governments only increased their funding by an average of 4.9%.

If States had matched the Federal rate of increase there would have been an additional $1.4 billion for State Government schools.

In addition to the recurrent funding that is linked to the State Government level of investment in schools, the Australian Government also provides funding for specific purposes, such as the $1.2 billion Investing in Our Schools Programme and the $1.8 billion Literacy, Numeracy and Special Learning Needs Programme.

Lastly, the education of children in Catholic and Independent schools represents a saving to State and Territory Governments of more than $9 billion each year.

The bigger picture represented by these facts shows a Howard-led Government which is committed to working with all States in ensuring the provision of the highest quality education for all students and schools.
In the Leader of the Opposition’s Budget Reply speech, Labor demonstrated that the “Education Revolution” is being offered is an abject policy failure.

The speech made no mention of any new funding or initiatives for our universities. There were no initiatives for higher standards or quality in our schools.

There was no commitment to schools, literacy and numeracy or universities.

Don’t be fooled by the rhetoric, in truth, there is no “fresh thinking” from the Leader of the Opposition and it is time to start taking a harder look at Labor’s deceptive political slogans to see the extent to which they are short changing the Australian public.

Furthermore, in the rare instances where Mr. Rudd does put forward fresh alternatives, such as in the areas of trades and apprenticeships, they are fundamentally flawed and looking more like policy on the run than a party that is equipped to responsibly run the Australian economy.

In this year’s Budget the Howard Government announced an unprecedented investment in higher education through the establishment of a new, continuing, $5 billion Higher Education Endowment Fund, which will be used for capital works and research facilities with individuals able to make tax deductible donations to the Fund and further investments to be made from future Budget surpluses.

In addition, we are spending $4 billion over four years, including the $3.5 billion ‘Realising Our Potential’ package.

Together these investments will fundamentally reshape the university landscape, drive quality improvements in Australian schooling and re-establish trade apprenticeships as an opportunity of first choice for high school students.

The package will provide unparalleled support for a range of initiatives that will go to the very heart of ensuring Australia’s future economic prosperity and will allow Australians to realise their potential through life-long learning.

The 2007-08 Budget puts in place a blueprint that will deliver a responsive, flexible, high quality and targeted education system to equip Australians for the workplaces of the future.

This is strengthened and supported by the $6.5 billion investment in 2007-08 in science and innovation, marking the highest amount ever spent by any Australian Government and continues the $5.3 billion commitment made in 2004 through the Backing Australia’s Ability—Building our Future Through Science and Innovation package.

Parents are entitled to expect their children will receive a high quality education—learning the skills they’ll need throughout their lives.

Through responsible and disciplined economic management the Coalition Government is now able to invest even more to ensure better education standards for our children and securing high retention rates through offering early options for high school students who do not have an ambition to go through to University.

That is why a major package of initiatives has been introduced in this Budget, building on the $837 million Skills for the Future package introduced in 2006.

Among a broad sweep of educational reforms aimed at skilling Australia, the new measures will support the Australian Government’s objective of ensuring a high quality technical qualification is as prized as a university degree.

This objective directly reflects some important market trends in the years ahead.

It is estimated that in the future, over 60 percent of jobs will require technical or vocational qualifications, yet, currently, only 30 percent of the population have these qualifications.

In contrast, the estimated demand for university level qualifications is expected to be just over 20 percent of the workforce, which is roughly what it is already.

If this imbalance is to be corrected we must start by restoring the status of technical and vocational training.

To stress the point, we need a nation that values a high quality technical education as much as a university degree.

That is why, two and a half years ago the Howard Government outlined a bold $484 million plan to re-open technical colleges across the country.
20 Australian Technical Colleges have already opened, another 3 expected to open this year and 5 more planned in the coming few years. These Technical Colleges are lighthouses both in a social and economic sense and have an unparalleled link to local industry, while providing training on state-of-the-art equipment. They will set the standard for technical and vocational teaching and will lead the way in restoring a technical career as a career path the equal of any.

Already several state governments have announced their intention to follow suit and to open an estimated 30 State-funded Technical Colleges, in addition to the 28 Australian Technical Colleges being opened by the Federal Liberal Government.

The State-based initiatives are a great thing if they meet the standard being set by the Australian Technical Colleges. Collectively, this means that by 2009 there will be around 60 new dedicated technical colleges with enrolments of close to 20,000 students, providing year 11 and 12 students the dual option of starting a trade apprenticeship while completing their year 12 academic studies.

In working against both the Federal Coalition and the State Governments, Mr Rudd’s policy proposal is to spread the vocational education investment thinly across all academic high schools around the country.

If, however, he had promised to dedicate the money that he talked about in his Budget Reply address to establishing new technical colleges, we could have close to 200 more technical colleges and between 60,000 and 100,000 students completing a specialised technical training qualification.

Mr Rudd’s policy ignores the fundamentals of scale-economies, commitment to quality and basic economic commonsense.

While the Howard Government welcomes any belated interest shown by Labor in technical education, sadly they have presented no plan to address the skills crisis but instead have irresponsibly put forward a blatantly wasteful and illogical proposal.

It’s obvious that Labor’s Trade Training Centres proposal hasn’t been thought out and it smacks of policy on the run. Adding a technical classroom to thousands of academic secondary schools across Australia won’t set-up those students with strong technical and vocational talents for a career in the 21st Century.

It will, instead, encourage young people to understand technical education as an elective subject of little relevance and supported by a budget plan which provides poorly equipped and poorly maintained workshops in every high school across Australia.

This is clearly seen in Mr Rudd’s one-off proposal of $1 million per school, through to 2018—with no provision to meet the substantial recurrent costs of staff, maintenance and administration.

I stress again, this will deliver no more than small technical ‘add-ons’ to existing secondary schools, doing nothing to raise the status of technical training.

The Howard Government’s Australian Technical Colleges initiative, in contrast, creates the environment where the interests of secondary students can be effectively captured through the early provision of high quality technical education in specialised professionally focused colleges.

The Government’s budgeted 28 dedicated Australian Technical Colleges demonstrate our vision to see students trained on state of the art equipment, supported by an industry-based experience.

These Howard Government’s Technical Colleges build for the future by skilling Australia for the world of tomorrow. However, Mr Rudd has tried to sugar his shoddy policy with a few slogans stating that Labor’s proposal provides a ‘job ready trade certificate’ (ABC Radio, 12pm News, 7 June 2007).

Well Mr Rudd, it certainly does not. A one-size-fits-all solution, where vocational training is an elective in every secondary school, is extraordinarily wasteful and ineffective.

Labor wants to be seen to be doing something but their proposal owes more to their desire for an appearance of substance, than to a real commitment to technical and vocational training in Australia over the long-term.
The Howard Government is spending serious money to bring a strong and dedicated technical focus to Australian schools in the 21st Century, while supporting and encouraging the shift in attitude in the value placed on taking up a trade apprenticeship.

Labor has failed this test of policy substance and peddles it’s seriously wasteful proposals as a legitimate national interest solution. Labor must not get away with this irresponsible policy side-show.

We are now seeing about 140,000 Australians each year complete apprenticeships. This compares with an average of 30,000 completions a year throughout the 13 years of the last Labor Government.

The Labor Party keeps saying that was a long time ago, so why bother about it. Well, as a Government we have to bother about it because the fact that for well over a decade the Hawke/Keating Governments trained 100,000 less apprentices each year than are being trained today means that there are now more than a million Australians who should have technical training, who don’t.

This is the Labor Party’s lost generation of tradesmen and women. These one million Australians are today either in their late 20s, 30s or into their 40s. They should be at the peak of their productive lives with 10 to 20 years experience, and could now be in high demand if they had had high quality technical training.

The irony is that the Labor Party, the self professed party of the worker, obsessed about university education during their years in government, while failing to provide more than one million Australians with vocational and technical training.

And it continues today.

In Kevin Rudd’s 27 page so-called ‘Education Revolution’ manifesto, a lonely four paragraphs were devoted to vocational and technical education.

This Labor legacy of one million untrained Australians are part of the 3.4 million adults in the workforce who have either not completed a full secondary education or have no significant skills training.

Too many adults don’t have the school qualifications or the skills training for effective participation in the modern workplace.

This is why the Australian Government last year committed $837 million to boosting skills and qualification levels among both older Australians and those in mid-career.

The vocational workforce in the 21st century requires the extensive and strong support of industry in shaping the content of vocational and technical training.

The Howard Government has reflected this need in the Board of Management of each Australian Technical College, with local industry leaders and experienced educators contributing the wealth of their knowledge to ensure relevance and quality through overseeing the curriculum, the acquisition of state-of-the-art equipment and fostering close industry contact with the students and teaching staff.

This principle, having been successfully demonstrated through the Australian Technical Colleges, must be extended across all training organisations in Australia, particularly the TAFEs.

In this context, Australia’s TAFE sector would benefit from greater microeconomic reform.

The Federal Government is actively working with the State Governments, through COAG and the Ministerial Council for Vocational and Technical Education, to create shared understanding of the priorities for the National Training System and affect long-term structural change to drive rigour and industry-focused relevance throughout the TAFE system, while providing the lead direction for State-based technical colleges.

Mr President, I conclude by reinforcing the aptly popular depiction of Labor as the party of me-too’s:

Labor fought uranium mining, then agreed to it.
It fought the end to the three-mines restriction, then agreed to it.
It fought deregulation of labor markets, then agreed to it. It fought the GST, then agreed to it.
It fought privatisation, then agreed to it.
It fought the full sale of Telstra, then agreed to it. It fought secret ballots for strikes, then agreed to them. It fought an easing of unfair dismissal rules, then agreed to it. Perhaps that they will one day march the line of common sense and give up their Vocational Education swindle and agree to stay the course and support the further funding of many more Australian Technical Colleges.

So I invite Mr Rudd to begin the march of policy substance now but I will not hold my breath.

Senator WEBBER (Western Australia) (9.11 pm)—I seek leave to incorporate speeches by Senators George Campbell and Bishop.

Leave granted.

Senator GEORGE CAMPBELL (New South Wales) (9.11 pm)—The incorporated speech read as follows—

This is a government well past its best. The Government is not governing to a plan, or to a vision of what Australia should be. Instead it’s governing by press release, pamphlet and advertisement. They are not concerned with good policy. They’re not planning for the future; they’re simply looking after number one. This is a government that consistently confuses the national interest with their short-term political interests.

The Prime Minister claimed earlier in the year that he’s got no rabbits to pull out of hats, but that doesn’t stop him reaching down and furiously grabbing for anything he can. This year alone, in desperation because of the polls, they’ve pulled the following stunts:

- The greenhouse mailout
- More WorkChoices ads, and
- The broadband package that won’t work.

But they can’t stop the fact that this Government is out of time, and out of ideas.

A history lesson

Let’s take a trip back in time. Let’s go back to the heady days of March 1983, with a combed over John Howard as Treasurer of a country on the skids.

Now, Mr Howard being such an impressive economic manager (or so we are told), wouldn’t one expect to have seen some very impressive economic statistics?

Let’s look at the key stats:

- GDP Growth: 2.6%
- Unemployment: 10.7%
- Consumer Price Index: 11.0%
- Standard Variable Mortgage Interest rates: 12.5%

But this mortgage interest rate figure was a capped figure under the system of rationed credit that existed at the time. The cash rate is a better indication and it stood at 16.73%, having fallen back from the record of 20.77% in August of 1982. Wages were also frozen, so in real terms wages were falling rapidly with such enormous inflation and interest rates.

That was the situation under Treasurer John Howard, and it wasn’t a pretty picture. You think we have forgotten but we haven’t.

Let’s also look at the situation when the Labor Party left power after 13 years of reform:

- GDP Growth: 4.0%
- Unemployment: 9.1%
- Consumer Price Index: 5.1%
- Standard Variable Mortgage Interest rates: 10.5%

Unemployment, interest rates and inflation were all trending downwards, growth was trending up and the basis had been laid for a long economic boom, the results we have seen over the last fifteen straight years of economic growth. And under the competitive lending environment we created, there were non-bank lenders offering rates much less than the standard rate, down to rates that would be competitive in today’s market.

We’ve had 61 straight quarters where the country’s Gross Domestic Product was greater than a year before that. We’ve been growing constantly since the March quarter of 1992, a full year before even the 1993 election.

When you look at the trends of strong economic growth, of growing employment and falling unemployment and of low inflation and historically low interest rates you see that it really started back then in 1992 with the reforms that Labor undertook putting the bite back into our economy.
and ending the boom-bust cycle that had existed before. In the end it’s no mistake to pin much of this stability and success down to the years of hard work and reform by the Hawke and Keating Labor Governments.

Floating the dollar was something only Labor was game to do. Deregulating finance and opening up credit was something only Labor was game to do. Breaking down tariff walls and forcing Australian industries to work harder and above all work smarter was something only Labor was game to do. Decentralising industrial relations and moving to a flexible, modern and above all fair system of enterprise bargaining was something only Labor was game to do.

But it wasn’t all technocrats beavering away on macroeconomic reform, Labor made huge strides on social reforms.

• Today Medicare stands as one of the great monuments to good government policy delivering benefits to all Australians.

• Labor’s investment in and opening up of the education and training system allowed more students than ever before to go to university and opened up more opportunities than ever to undertake vocational education and training.

• Our labour market programs, headlined by Working Nation, helped underpin a period of rapid employment growth.

• Our embrace of land rights and native title through the native title act was arguably the greatest step there has been towards reconciliation, on both a practical and symbolic level.

As Treasurer, John Howard did none of these things. As Prime Minister, he can point to very little in the way of economic reform. He has implemented a new tax, and he has made it easier for workers to have their wages and conditions stripped back to the bare bones. That is it. He twiddles his thumbs for three years and tries to keep out of trouble and then in the election year he goes into all-out vote-buying mode. With an ear carefully tuned to opinion polls he can be relied upon to pull out the stops to try to swing the election in his favour, with taxpayer funded advertisements helping along the way. This year the polls are particularly bad, so he’s especially desperate.

He’s throwing everything he can:

• His Johnny come lately greenhouse package;

• The fake fairness test to patch up WorkChoices;

• His broadband package that won’t work in bad weather, if you live on a hill or if you’re using your microwave;

• His private health changes;

• His superannuation changes, and;

• The water plan.

He’s had a once in 50 year economic boom dropping billions of dollars in his lap, the bulk of which he’s spent. Remember the quote from Saul Eslake, chief economist for ANZ. He said:

“The resources boom has dropped $100 billion into the Government’s lap that they hadn’t expected in 2002 and they’ve spent all of it and a bit more, and I honestly and genuinely struggle to find anything that has been done with it bar win elections.”

That was quoted from The Age, May 7 last year. Imagine that—$100 billion of extra revenue. That number will have grown, with the boom continuing for another year. The rivers of gold flowing into the Treasury are in return for our outgoing rivers of coal, iron ore, bauxite and so on. But the boom won’t last forever and the Government aren’t planning for the future. Mr Howard accuses Labor of being defeatist, and that there’s plenty of room to grow as China and India continue to develop. When Mr Glenn Stevens, Governor of the Reserve Bank suggested that yet another interest rate rise might be needed, Mr Howard was quoted in the press asking:

“Why shouldn’t the nation’s approach be that we should keep the mining boom going indefinitely?”

I’ll answer him with two points:

• First, the Treasurer clearly disagrees—he told The West Australian that:

“The high prices probably lasted longer than a lot of people were expecting and I think that’s be-
cause the increased capacity has taken longer to get. But it will change

- Second, isn’t it the best time to fix the roof when the sun is shining? There is no point waiting until the boom finishes and then trying to work out how to kick-start a slowing economy. We have the capacity to invest in the things that can sustain the boom and keep it going beyond the inevitable fall in resource prices.

**Productivity**

Labor’s plan for industrial relations will take us forward to a high wage, high productivity future. Labor will restore the balance in workplaces. Our plan will unpick knots of complexity and rigidity that the Government tries to pass off as flexibility and freedom. Our plan will ensure that where workers want to collectively bargain, they can. Because we are restoring the balance in the workplace, Labor will ensure that workers and their employers get to genuinely negotiate—each will put their case and a negotiated outcome will be the result.

Labor will back this up with investment in education, training and essential infrastructure like our broadband package. We are going forward with a plan to build up our productivity and set a platform to keep the boom rolling on. This is the only way to guarantee future productivity growth.

How do we know? We know by our experience with the first wave of industrial relations reforms in the early 90s. For the three years from the start of the 93-94 financial year to the start of the 96-97 financial year jobs grew at around 19,000 jobs per month. Jobs boomed under the enterprise bargaining system that we put in place. Jobs grew faster then for three years than they have in this much vaunted post WorkChoices period. When you look at the graphs, the period from 1993 to 1999 productivity boomed. Multifactor productivity grew at 2.3% per annum, Labour productivity at 3.3% per annum. This was with enterprise bargaining at the heart of the system, and with the returns on Labor’s investments in skills, infrastructure, education and training all still flowing through.

But the Howard Government’s laziness caught up with them, and it’s flattened out. The Treasurer’s intergenerational report confirms it—over the 90s labour productivity grew at 2.1% and for this decade it’s forecast to be 1.5%. His own report condemns the Government’s failure to act on productivity, their policy laziness and the absence of reform over the last eleven long years. We’re not the only ones saying it either—the Business Council of Australia’s budget submission said:

> “More worrying, labour productivity growth has slowed sharply in Australia... this deterioration in productivity performance is a real concern”

When you go on this long with no effort at all being made to address the productivity problem, you light the wick under inflation and interest rates. And interest rates don’t need to go far to cause serious problems for Australian families and also for Australian business.

When you add the weight of four interest rate rises since the last election to the pressure already
on workers' wages and conditions thanks to WorkChoices, you can see why Australian families are feeling the pinch even in boom time. Look at house repossessions—in my home state of New South Wales, Supreme Court data show mortgage repossessions are two-thirds higher now than they were at the height of the recession. The Insolvency and Trustee Service Australia tell us that personal insolvencies are up 83% in the inner west of Sydney and 71% in the outer west. Families now need an income of $145,000 to keep up with mortgage payments of a median priced home in Sydney.

Mortgage interest rates are now pushing average interest payments up to record levels—55% above the highest levels under Paul Keating. They have risen to 9.5%, much higher than the peak of 6.1% under Paul Keating, a rise of 0.2% just this year and up 80% from when interest rates started rising in 2002.

Mr Howard's policy and reform laziness is leaving people under worse pressure than during the recession, while he claims that "Australian families have never been better off".

Climate change
This Government's policy laziness is shown up most starkly by its lax approach to climate change. Years of professed scepticism have worn thin. In spite of the oft-repeated boast that Australia opened the world's first Greenhouse Office, this Government has a very poor record on climate change.

This Government railed against the Kyoto Protocol from the start—first by watering down our commitments and then by refusing to ratify the Protocol. This Government gave away the opportunity to be taken seriously on this through its own actions.

The Government, and particularly the Prime Minister, has spent the last eleven years deriding serious efforts to reduce greenhouse gases, citing a caricature of our national interest as a reason to not act. What the Government has achieved has simply been a delay in the inevitable. Excuses and hand-wringing don't stop problems, hard work and practical solutions do.

But the polling is in, and the Government has belatedly discovered the truth— Australians know that the climate is changing and that it's up to all of us to do something about it. They don't believe it exists, but they're willing to say whatever it takes to win.

So what does the Government do? Organises an in-house report to provide pre-approved conclusions, and puts off setting targets until after the election to avoid scaring the horses. Then secret plans are put in place for a multi-million dollar mailout paid for with taxpayers' money to convince the electorate that they cared all along.

We keep hearing about this 'greenhouse office' being the first in the world. In reality this Government has been a leader in denying the existence of dangerous climate change. This Government has been a leader in resisting efforts to make meaningful steps to addressing the problem. This Government has in fact been the leader from the back—watering down our commitments then refusing to ratify Kyoto, always professing some confected notion of self-interest when it's in everyone's interest to take real action.

Had this Government taken real steps to address climate change when it came in we wouldn't be arguing self interest in avoiding obligations. We could have made real ground by making real investment in clean and renewable energy, by adopting a carbon cap and trade system and in doing so giving businesses the certainty they need to develop a low carbon future. Our national interests would have been best served by leading from the front and sell low-carbon technology to the world.

A little bit of foresight, a little bit of imagination, and this country could be looking at the opportunities that come from a low-carbon future, not the threats.

Conclusion
But there lies the problem for this Government. There is no imagination. There is no foresight. There is no planning for a future other than the short term political future. There is no commitment to anything longer term than the next election. No problem is worth acting on unless it might cost us votes in the marginals. No issue is worth leading on unless it's going to go down
well in voterland. There is no leadership there. There is no plan there. This Government doesn’t look out for our future; it’s looking after its own.

Senator MARK BISHOP (Western Australia) (9.11 pm)—The incorporated speech read as follows—
The appropriation bills allow us an opportunity to scrutinise the Government’s recent budget.
We can look at macro economic management, as well as at the particulars.
We can also reflect on our findings in all the committees at Senate Estimates.
Today I’d like to do both, but with a focus on the Defence budget.
To put this budget in perspective, it must be said that it’s little more than a statement of accounts.
It’s certainly not a platform of economic reform or a strategy for the future.
Indeed it seems those days are well past. Or are they?
The boom in world economies, I suspect, is masking what we all fear ...
We are living in a lotus land.
Managing the economy is a doddle. It manages itself.
The credit being claimed for economic management is empty spin, taken as gospel as a measure of competence.
It’s nothing of the sort.
In fact, underlying indicators are a serious worry.
At the macro level, current circumstances could never be imagined.
The three levers of economic management have been surrendered.
First interest rates have been delegated to the central bank.
That’s a good idea when there are conservative treasurers around who like to tinker, or who won’t make the right decision in time.
The history of economic management under Tory governments since World War Two has been one of fumbling on that issue.
So there are good reasons for that delegation and it’s probably contributed to economic stability.
Nothing to do with the government, though.
Second, the use of taxation as a control over the economy has also diminished.
Taxation’s now seen as a burden, rather than an economic control device.
Conveniently, the economy’s so strong—as part of the growing international economy—this government’s awash with revenue.
Were it not for the inflationary fear of putting too much cash into the economy, much bigger tax cuts should have been made by now.
The test of this will come of course, if and when economic circumstances turn.
That is, if China sneezes.
Similarly for the third lever, government spending.
It appears government spending has become much less influential in the health of the economy than it once was.
That’s because the private sector is also awash with funds.
It’s always on the look-out for higher levels of return, high income-producing businesses, or just fat assets to strip.
The recent emergence of private equity funds and investment banks are good examples.
I also note the nature of government investment has changed.
Sometimes, to our detriment.
It’s notable, for example, the government no longer invests in much at all.
Increasingly, budgets are made up of a large proportion of administered funds.
That is, health, welfare and payments to the states for education.
In a narrow sense this is investment, but it doesn’t generate a return on funds.
It’s not capital investment.
For ideological reasons, capital investment is now seen as the prerogative of the private sector.
The equation for the government is all capital investment warrants an economic return.
Otherwise, the investment is not an investment.
But as we know, economic returns from such investments are limited to certain parts of the economy.
That’s why toll roads only get built in high traffic areas of our cities.
That’s why country roads are built by the National Party in the bush.
And unfortunately, that’s why railways and increased water storage don’t get built at all.
Infrastructure investment by government is where it suits the National Party mentality for an “indirect subsidy”.
The old adage is as true today as always.
Socialise your losses and capitalise the gains.
That’s why the budget’s pretty much a non-entity.
There’s little, if any, long-term investment...
But plenty of short-term payments providing flexibility and avoiding long-term lock-in.
And we haven’t seen most short-term payments.
That’s because they’re the election give-aways and barrels of pork which will be announced later.
So in summary, the budget did little in terms of long-term investment.
Another massive surplus was predicted, adding to all the other surpluses.
Which says either the government’s not spending where it ought, or it’s collecting too much.
And that’s what the future fund is; a contrivance of masterful spin which appeals to the piggy-bank mentality.
In fact it’s a device to store excess revenue—the debt reduction commenced in the early ‘80s has now matured.
There are no debts to repay.
Unfortunately, the ideological bias against public investment means spending which once took place on vital infrastructure is no more.
That’s why we’ve invested nothing in water storage for 20 years.
That’s why roads, bridges, ports and railways are becoming less efficient.
And that’s why schools, hospitals and other services can’t cope.
Once again, the private sector has to pick up the task.
And it’s at a cost ... for those who can afford it.
Mr Acting Deputy President, having painted that context, let me turn to the Defence budget.
Defence is a great place to spend lots of spare cash.
To buy $6 billion on fighter jets is dead easy.
There’s no economic downside.
All this spare cash is exported.
In this and many other cases, it’s the US economy which benefits.
And good luck to them.
Our industry might get a few scraps if they’re lucky, but in a time of a skills shortage this short-term thinking doesn’t matter.
Or so it’s thought.
Long-term planning and investment beyond the boom isn’t a priority, it seems.
Nor is industry capacity, transfer of intellectual property, self sufficiency or economies of scale.
Hence, the feature noted by many commentators: That Defence is a good place to park spare cash.
Indeed, as many have noted, Defence is already constipated.
It can’t spend what it’s already been paid.
In this financial year, $1.8 billion dollars from last year is to be carried over.
That’s a relaxation on the old rules of budget austerity, where unspent and uncommitted funds went back to the Treasury.
The surplus was already embarrassingly large, so it was left as an over-allocation in Defence.
The hope is that Defence will spend it—and no doubt they will.
But whether it’s spent usefully is another thing.
I don’t want to harp on this, but waste and Defence seem to be synonymous.
I’ve frequently, in this chamber and at estimates, made reference to Defence procurement failures in particular.
The Australian National Audit Office frequently releases reports about financial mismanagement in Defence.
Excessively generous allocations not spent in the past has led to many bad practices.
Among those has been hiding money in trust funds and paying accounts in advance.
Finding devices to hide money is an art form.
That’s because the financial discipline for everyone else has been use It or lose it”.
That doesn’t suit the government’s politics, of course.
They’re hooked on the macro figures of Defence allocations, which by apparently indicate a firm resolve to the defence of the nation.
Typically, though, we know this isn’t true.
The Defence annual report, as we examined at Senate Estimates recently, is full of projects behind time and over cost.
In other words, capability paid for but not delivered.
The instances of the Seasprite helicopters and the armoured personnel carriers, combined, represent more than $2 billion wasted.
The list, however, is endless.
There’s a yawning gap between what the Government has said it’s paid for and what it’s received in return.
On a more positive note, however, the Defence budget does have some benefits. Though perhaps years late.
The biggest single deficiency in Defence, apart from procurement bungling, is its inability to recruit.
We know that many ships in the Navy fleet are below their optimum crewing levels.
Our submarine fleet is barely a fleet at all with respect to qualified crew available.
And the task of forming a new Army battalion seems Insurmountable, given the attrition of personnel in recent years.
This is not necessarily the fault of the forces (though their public image has been tarnished a little) but of government failure to act in time.
The tight labour market, largely to blame for failed recruitment, is not a new phenomenon.

The economy has been stretched for at least five years by labour market shortages.
And the out-turn of skills from our TAFEs and schools has suffered through funding starvation.
Education is a cost for the Howard Government, not an investment.
And the pigeons are now home on the roost.
So it’s a relief to see in the Defence budget a significant effort in recruitment, training and retention.
Sadly, for a government so wedded to the theory of market forces, it’s been caught with its pants down.
Much of the new money will be spent competing with other demands for labour.
It’s suddenly realised young people won’t sign up just out of public interest and a sense of public duty.
It’s about a career, good working conditions, rewards and a future.
Comparatively speaking, Defence hasn’t been able to compete.
So the money now available might help.
Unfortunately, budget outlays have been inflated by the need to spin.
That is, the figures are made to look impressive because they’re for a period of ten years.
Two point one billion dollars is to be spent on recruitment and retention.
This includes $113 million for Navy retention allowances $306 million for the gap year experiment $371 for recruiting initiatives, and $226 million for targeted retention measures.
Another $950 million will be spent on additional housing costs.
Enhanced technical training will benefit by an extra $71 million.
Professional development for ADF medical officers will receive $12.1 million.
Let’s hope that brings a competitive edge to recruitment.
That’s good, but remember, this is for 10 years, not the standard four years of Estimates.
Beware the spin.
Care also needs to be taken to distinguish between existing budgets and additional funding, not net funding increases.

Such large numbers always sound impressive. The rest of the Defence budget is dominated by additional money for operations overseas—to be expected—and for new equipment.

Labor was hopeful that soon we might see some turnaround in procurement outcomes.

We’re still hopeful, but the signs are ominous.

We note the prediction of ASP!, that $2.1 billion of new assets will be late on current estimates.

Further, approval of new projects in the 2006 DCP have already fallen behind.

What’s worse, in its eagerness to spend its enormous revenue, the Government is pumping even more into the sausage machine.

Little wonder there’re more decisions outside the due process, to buy off-the-shelf without comparative analysis.

The numbers are impressive, but the question is, will it make a difference?

We sincerely hope on recruitment it will.

On procurement we have no confidence at all.

It’s too ad hoc and reeks of panic as lost ground is sought to be recovered.

We fear a continuation of waste and the usual propaganda which seeks to make a virtue out of a perennial disaster.

The more things change the more they stay the same.

Senator McGauran (Victoria) (9.11 pm)—On behalf of Senator Ronaldson, I seek leave to incorporate his appropriation speech in Hansard.

Leave granted.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (9.12 pm)—I thank senators for their contribution to the debate and for facilitating the progress of the debate. I am pleased to bring the second reading debate on Appropriation Bill (No. 1) 2007-2008 and cognate bills to a close. The people of Australia continue to enjoy unprecedented economic prosperity, thanks largely to the government’s impressive macroeconomic management. Through its commitment to sound financial management, the government has put the budget in surplus, achieved a positive net asset position and commenced saving for its future obligations. This will free the next generation of Australians to meet their own challenges, unencumbered by the legacy of past Labor governments that spent beyond their means. This budget, which continues the government’s sound management of the economy, contains a program of investment in education, skill training and transport infrastructure; income tax relief for people on low to moderate incomes for the fourth year in a row; a doubling of the superannuation co-contribution to help secure retirement incomes; new funding for enhanced housing and education opportunities for Indigenous Australians; a range of initiatives to meet the challenge of climate change; measures to secure and defend our country; and a package of reforms to improve quality and choice in aged care.

There is a substantial breadth of initiatives in this budget that will help strengthen the Australian economy and community for the future. The budget bills and the supplementary additional estimates bills provide us with the means to address the significant changes being faced by Australia. The initiatives contained in the budget will help to ensure that Australia continues to prosper, will enable responses to important issues we face now and will position us to meet future challenges. They are important pieces of legislation that underpin the government’s activities and initiatives over the next 12 months. I commend the bills to the Senate.

Senator McGauran (Victoria) (9.14 pm)—I seek leave to make a brief statement.

Leave granted.
Senator McGauran—Earlier I sought leave to incorporate Senator Ronaldson’s speech by error. Although he is on the speakers list to do so, Senator Ronaldson will not be incorporating his speech.

The Acting Deputy President (Senator Forshaw)—So what are you seeking to do, Senator McGauran?

Senator Murray—It’s a non-incorporation!

Senator Webber—He’s just uncorporated a speech!

Senator McGauran—Yes, I would like to uncorporate it.

The Acting Deputy President—Is leave granted for Senator McGauran to unincorporate Senator Ronaldson’s non-speech? There being no objection, leave is granted—Senator Ronaldson’s speech will not be incorporated.

Senator McGauran—I also apologise to the Senate.

The Acting Deputy President—You do not need leave to do that. The question now is that the bills be read a second time.

Question agreed to.

Bills read a second time.

In Committee

APPROPRIATION BILL (No. 1) 2007-2008
APPROPRIATION BILL (No. 2) 2007-2008

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

Senator Wong (South Australia) (9.16 pm)—I spoke in the second reading debate in relation to the two amendments standing in the names of Senator Murray and me. The request for amendment on sheet 5269 deals with advertising and seeks to put in place a fetter on the government’s profligate expenditure of public moneys on party political advertising. I think there are a few people who do not recognise the extent of the government’s advertising. We know already of the $55 million that has been spent on Work Choices, plus reportedly there has been an additional $36.5 million spent on that. We know of the $52 million on the private health funds. We know of the $69 million on their superannuation policies. And we have a range of other campaigns coming at us down the track. There will be no Australian living room that will be safe from the Howard government’s advertising, all funded courtesy of the Australian taxpayer.

With the request for amendment on sheet 5269 we are seeking to place some restrictions around the use of public moneys, of taxpayers’ funds, for government advertising. There are times when government advertising is quite legitimate. No-one in this place, or in any sensible political position, would argue that proper information campaigns, health and safety issues—those sorts of genuine, factually based campaigns—ought not be funded. But what we see from the government, frankly, is quite blatant political propaganda, and people know and understand that. That was why the Work Choices campaign was unpopular. The extent to which this has been politicised by this government is demonstrated by the newspaper advertisements that were placed in all the national and metropolitan dailies on the Friday after the Prime Minister made his announcement about the fake fairness test.

Just so people know: the Senate estimates evidence revealed that the Prime Minister’s office was involved in the drafting of the advertisements—and, perhaps as importantly, the government actually used what they described as ‘non-campaign advertising’ to fund those advertisements. I cannot remember how much money it was. Just to be clear: non-campaign advertising is generally things like recruitment or meetings—very factual, not associated with any policy issue

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in particular. So they delved into another honey pot in order to fund this. That is the request for amendment on sheet 5269.

The amendment on 5309 deals with the Kirribilli and the Lodge issues, which I spoke to in the second reading debate and do not intend to address again, unless the government wishes to engage in debate on it. We have made the point consistently that we do not think Australians consider it appropriate for the Prime Minister of this country to use his taxpayer funded official residences for party political fundraising. It is undoubtedly the case that that was done by this Prime Minister and by the Liberal Party of Australia.

To expedite the matter, Mr Chairman, I seek leave to move the amendment and request for amendment on sheet 5269 and the request for amendment on sheet 5309 consecutively—and flag that we will seek a division on both of them—in the interests of trying to not require a four-minute division in respect of both. But that is obviously a matter for the chair and the chamber.

Leave granted.

Senator MURRAY (Western Australia) (9.20 pm)—On the same point, if I could just say that what we are seeking to do is not debate the matter further so that, when the divisions come up, we will have a four-minute division and then a one-minute division.

The CHAIRMAN—We will deal with the request for amendment and the amendment on sheet 5269 revised and the amendment on sheet 5309 consecutively.

Senator WONG (South Australia) (9.20 pm)—by leave—I, and also on behalf of Senator Murray, move:

Appropriation Bill (No. 1) 2007-2008

That the House of Representatives be requested to make the following amendment:

(1) Page 10 (after line 11), after clause 14, insert:

15 Advertising and public information projects

(1) No amount appropriated by this Act is to be expended for any advertising or public information project if the cost of the project is estimated to be $250,000 or more, unless:

(a) a statement in accordance with subsection (2) has been provided to the Auditor-General; and

(b) the Auditor-General has issued a certificate certifying that the project conforms with the guidelines for government advertising.

(2) A statement under paragraph (1)(a) must indicate:

(a) the purpose and nature of the project;

(b) the intended recipients of the information to be communicated by the project;

(c) the name of the person who is to authorise the project;

(d) the manner in which the project is to be carried out;

(e) the name of the person or the entity that is to carry out the project;

(f) whether the project is to be carried out under a contract;

(g) whether such contract is to be let by tender;

(h) the estimated cost of the project.

(3) A statement and certificate under subsection (1) must be:

(a) published in the Gazette; and

(b) laid before each House of the Parliament within six sitting days of that House after the certificate is issued.

(4) In this section, the guidelines for government advertising means the guidelines set out in the Senate Standing Committee on Finance and Public Ad-
Statement pursuant to the order of the Senate of 26 June 2000

This amendment is framed as a request because it is to a bill which appropriates moneys for the ordinary annual services of the Government.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

As this is a bill appropriating money for the ordinary annual services of the Government, the amendment is moved as a request. This is in accordance with the precedents of the Senate. Whether all of the purposes of expenditure now covered by this bill are actually ordinary annual services is a matter under examination by the Appropriations and Staffing Committee.

Appropriation Bill (No. 2) 2007-2008

(1) Page 10 (after line 8), after clause 13, insert:

13A Advertising and public information projects

(1) No amount appropriated by this Act is to be expended for any advertising or public information project if the cost of the project is estimated to be $250,000 or more, unless:

(a) a statement in accordance with subsection (2) has been provided to the Auditor-General; and

(b) the Auditor-General has issued a certificate certifying that the project conforms with the guidelines for government advertising.

(2) A statement under paragraph (1)(a) must indicate:

(a) the purpose and nature of the project;

(b) the intended recipients of the information to be communicated by the project;

(c) the name of the person who is to authorise the project;

(d) the manner in which the project is to be carried out;

(e) the name of the person or the entity that is to carry out the project;

(f) whether the project is to be carried out under a contract;

(g) whether such contract is to be let by tender;

(h) the estimated cost of the project.

(3) A statement and certificate under subsection (1) must be:

(a) published in the Gazette; and

(b) laid before each House of the Parliament within six sitting days of that House after the certificate is issued.

(4) In this section, the guidelines for government advertising means the guidelines set out in the Senate Standing Committee on Finance and Public Administration Committee report entitled Government advertising and accountability, December 2005.

That the House of Representatives be requested to make the following amendment:

(1) Page 10 (after line 11), after clause 14, insert:

15 Prohibition on appropriations being used for political fundraising activities

No money appropriated by this or any other Act may be used for the purpose of an electoral fundraising activity at the property known as Kirribilli House, Kirribilli Avenue, Kirribilli, NSW or The Lodge, Adelaide Avenue, Deakin, ACT.

Statement pursuant to the order of the Senate of 26 June 2000

This amendment is framed as a request because it is to a bill which appropriates moneys for the ordinary annual services of the Government.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000
As this is a bill appropriating money for the ordinary annual services of the Government, the amendment is moved as a request. This is in accordance with the precedents of the Senate. Whether all of the purposes of expenditure now covered by this bill are actually ordinary annual services is a matter under examination by the Appropriations and Staffing Committee.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (9.20 pm)—Just to indicate to the chamber that the government will not be supporting the request or amendment moved by Senator Wong and Senator Murray. I think in the interests of proceedings moving along, I will not say anything further. But the government obviously does not agree with the statements that have been made by Senator Wong and Senator Murray as part of this debate. I think our views are pretty clearly on the record, so I will not take the debate any further.

The CHAIRMAN—The question is that the request for amendment and the amendment on sheet 5269 revised by Senator Murray and Senator Wong be agreed to.

The committee divided. [9.25 pm]

Ayes............ 29
Noes............ 31
Majority........ 2

AYES
Allison, L.F. Bishop, A.J.J. Brown, B.J.
Bishop, T.M. Brown, C.L. Campbell, G.
Carr, K.J. Evans, C.V.
Fielding, S. Forshaw, M.G.
Hogg, J.J. Hurley, A.
Hutchins, S.P. Kirk, L.
Ludwig, J.W. Lundy, K.A.
McEwen, A. McLucas, J.E.
Milne, C. Moore, C.
Murray, A.J.M. Nettle, K.
Sherry, N.J. Siewert, R.
Sterle, G. Stott Despoja, N.
Webber, R. * Wortley, D.

Wong, P.

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Birmingham, S. Brandis, G.H.
Calvert, P.H. Chapman, H.G.P.
Colbeck, R. Cormann, M.H.P.
Ellison, C.M. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Humphries, G. Johnston, D.
Joyce, B. Lightfoot, P.R.
Macdonald, J.A.L. Mason, B.J.
McGauran, J.J.J. * Minchin, N.H.
Nash, F. Parry, S.
Patterson, K.C. Payne, M.A.
Ronaldson, M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Watson, J.O.W.

PAIRS
Conroy, S.M. Kemp, C.R.
Crossin, P.M. Macdonald, I.
Faulkner, J.P. Coonan, H.L.
Marshall, G. Eggleston, A.
O'Brien, K.W.K. Boyce, S.
Polley, H. Heffernan, W.
Ray, R.F. Ferguson, A.B.
Stephens, U. Boswell, R.L.D.

* denotes teller

Question negatived.

The CHAIRMAN—The question now is that the request for amendment on sheet 5309 moved by Senator Murray and Senator Wong be agreed to.

The committee divided. [9.29 pm]

Ayes............ 29
Noes............ 31
Majority........ 2

AYES
Allison, L.F. Bishop, A.J.J. Brown, B.J.
Bishop, T.M. Brown, C.L. Campbell, G.
Carr, K.J. Evans, C.V.
Fielding, S. Forshaw, M.G.
Hogg, J.J. Hurley, A.

PAIRS
Conroy, S.M. Kemp, C.R.
Crossin, P.M. Macdonald, I.
Faulkner, J.P. Coonan, H.L.
Marshall, G. Eggleston, A.
O'Brien, K.W.K. Boyce, S.
Polley, H. Heffernan, W.
Ray, R.F. Ferguson, A.B.
Stephens, U. Boswell, R.L.D.

Kirk, L. Lundy, K.A. McLucas, J.E. Moore, C. Nettle, K. Siewert, R. Stott Despoja, N. Wong, P.


* denotes teller

Question negatived.

Bills agreed to.

Bills reported without amendment or request; report adopted.

Third Reading

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (9.30 pm)—I move:

That these bills be now read a third time.

Question agreed to.

MS KATE ROBERTSON

The PRESIDENT (9.33 pm)—Before I put the motion that the Senate do now adjourn, I wish to advise the Senate that a significant servant of the parliament is retiring tomorrow after serving us all, in a literal sense, for 21 years. Of course I refer to Ms Kate Robertson, who joined the then Parliamentary Refreshment Rooms in the provisional Parliament House in 1986. There are very few of us here left that may remember the service that she gave us in the Old Parliament House. She moved up here to help us establish the dining room in this building and has been a constant presence in the members and guests dining room since 1988. Kate was awarded the 2001 Centenary Medal in recognition of her exemplary service to the parliament of Australia. I think we all know what day of the week it is when we go to the dining room—particularly the members dining room—because Monday is bangers and mash, Tuesday is shepherd’s pie, and Wednesday and Thursday are mixed grill. Kate reminds us all of that and she acts as a mother hen to all of us to ensure that we look after our eating habits correctly. On behalf of all honourable senators, I take this opportunity to record our very sincere appreciation to Ms Kate Robertson for her contribution to the parliament and particularly for her readiness to give us all our culinary preferences and her friendship as well. Well done, Kate; farewell and good luck.

Honourable senators—Hear, hear!

COMMITTEES

Finance and Public Administration Committee Membership

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (9.35 pm)—by leave—I move:
That senators be discharged from and appointed to the Finance and Public Administration Committee as follows:

Appointed—

Substitute member: Senator Sherry to replace Senator Carol Brown for the committee’s inquiry into the provisions of the Superannuation Legislation Amendment Bill 2007

Participating member: Senator Carol Brown.

Question agreed to.

LEAVE OF ABSENCE

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Finance and Administration) (9.35 pm)—I move:

That leave of absence be granted to every member of the Senate from the end of the sitting today to the day on which the Senate next meets.

Question agreed to.

ADJOURNMENT

The PRESIDENT—Order! It being 9.36 pm, I propose the question:

That the Senate do now adjourn.

Tasmania: Economy

Senator BARNETT (Tasmania) (9.36 pm)—Tonight I rise to raise questions about the Tasmanian Labor government’s mismanagement of the state’s finances and its maladministration of Tasmania’s affairs. I raise these issues because, for the period 2006-07 and 2007-08, the state is running an operational deficit of $110 million and it has to sell three government owned entities in one year. I am advised that it is the only state budget brought down in Australia this year that is in deficit. This is despite the fact that the government is in receipt of the highest amount of tax in the state’s history—firstly, it is receiving buckets of GST and other revenue from the Australian government; and, secondly, Australia is experiencing solid economic growth under the Howard-Costello stewardship.

The state government is expected to receive more than $3.7 billion in revenue over the 2007-08 financial year, which is a six per cent increase on 2006-07 and approximately $1.7 billion and 85 per cent more than it received in 1998-99. The state government has received a windfall from GST receipts and special purpose payments, estimated to be well in excess of $100 million for each year since 2003-04. GST payments to the state have risen from a projected $1 billion in 2001-02 to a projected $1.646 billion for 2007-08. That is a 64.6 per cent increase, averaging almost 11 per cent a year and well above our low inflation rate of 2.5 per cent.

While not large relative to the entire state budget, the windfall is nevertheless large enough to build the equivalent of several new high schools, more than 480 housing division homes and up to 12 district hospitals—noting that at the present time they have a plan in place to close the Ouse District Hospital and its aged-care centre and the Rosebery Community Hospital and its aged-care centre. The government plans to rationalise Tasmanian health services, particularly in rural and regional Tasmania. Put another way, this windfall totals almost $1 billion in payments between the years 2003 and 2011. And this is a system that Labor, state and federal, fought tooth and nail against when the Howard government introduced the GST back in 2000. That was a tough decision that was made for the long-term benefit of Australian families. That is a hallmark of the Howard-Costello team.

The other half of the equation is tied grant payments to the state for specific purposes such as school funding, hospitals and primary industry programs. The Australian government decides how this money will be spent. These grants now total $767 million a year for the Tasmanian government, which is
a 13 per cent increase on last year—again, well above inflation—and a 38.4 per cent increase on 2001-02. The state’s tax collections have risen by 40 per cent, to $752 million, since 2000-01. This includes the anti-worker, job-wrecking payroll tax, which has grown by 44 per cent since 2003. So the state is sucking in the dollars thick and fast, and it is being well funded by Canberra, with substantial hospital funding, GST payments and tied grants funding.

I noticed the state Labor Treasurer’s boasting in the recent state budget about a plethora of tax cuts, but most of those state tax cuts in recent years have been handed down by Peter Costello as a result of the agreement that was made back in 2000 in return for the buckets of GST revenue that state now receives. The Tasmanian Treasurer argued that the $117 million GST windfall was closer to $8 million. He said this at a post-budget business presentation. This is poppycock. In his next breath he admitted that most of this had been forced on him by Canberra. The Howard government is making sure the states do not squander the windfall but use it wisely, as was originally agreed—for example, to cut business taxes.

The GST revenue also funds Tasmania’s $20 million a year First Home Owners Scheme, which is managed by the state. This scheme has been largely responsible for firing the housing boom and allowing thousands of young Tasmanians to buy their first home. The Tasmanian Treasurer claims this as a state initiative but, no, it was not; in fact John Howard and Peter Costello created and funded it, commencing in the year 2000.

On the education front, in 2006-07 federal payments to the state public school system rose by 10.4 per cent, but the state increased funding by only 3.2 per cent, thereby short-changing Tasmanian schools, pupils and families by $46 million. So why is the state running a deficit? It is what I call budget mismanagement.

Previous regimes, both Liberal and Labor, have resolved to keep Tasmania’s finances in the black and healthy, and they have had varying degrees of success. However, I fear the current Tasmanian Labor government has lost its way because of rank amateur performances by a largely inexperienced cabinet. As a community, we are fortunate to have the Hon. Will Hodgman, the leader of the Tasmanian Liberal Party, and his team to keep the state government accountable and responsible. The Tasmanian government’s fiscal position is enjoying higher than previously expected receipts from the Australian government of between $100 million and $180 million a year, yet the state is desperate for more revenue to cover the state government’s bloating expenses, most notably those relating to employees, which have forced taxes on ordinary Tasmanians, special raids on reserves held by government business enterprises and the selling off of assets.

In the past week, we have seen reports of proposed exorbitant power price increases under the state government owned power company, Aurora. This is very disturbing. In this financial year, the state government will sell an estimated $72 million worth of public assets, which include the Tasmanian Printing Office, the Southern Tasmanian Cemetery Trust, Hobart Airport and public housing, after a $72.3 million fire sale last year. Why? How can state finances be in such a parlous state when the national economy is firmly under control and humming, thanks to the Howard government? Why is the Tasmanian government struggling with looming asset sales, some badly performing business enterprises and deficits when its tax take is up, thanks to a thriving economy and better than ever federal funding, with certain and stable increases each year? What is wrong with a state government that cannot balance the.

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books even though the Australian government is funding the state’s tax cuts? The answers can be found in some of the decisions the Tasmanian government has made in recent years.

The state government has undertaken new infrastructure spending of only 3.6 per cent more than in 2006-07, but this is still lower than was budgeted for in 2005-06. This means that state infrastructure spending as a proportion of the state’s economy will decline. The only increase in infrastructure spending over the last year is wholly due to an increase in federal infrastructure support, from $57.9 million this year to $77.4 million next year. The majority of this federal funding, $61 million, is for road infrastructure. Yet the state is hitting up Tasmanian motorists an extra $20 with a new tax, and state funding for infrastructure is actually declining. The state government is putting another 2c a litre on petrol, increasing the cost of petrol for Tasmanians. This is not on and it is not fair. Tasmania is the only state in Australia where the federal government actually spends more on roads than the state.

While net debt has declined and now represents a positive cash balance, this only partially offsets the burgeoning liabilities associated with an ageing public service. So the net superannuation liability that is unfunded is rising from $1.2 billion in 2001-02 to $2.14 billion in 2006 and a projected net $2.43 billion by 2008. Labor is mortgaging the future of our children and our grandchildren. Let’s not forget the hundreds of millions of dollars of taxpayers’ money wasted on the Spirit of Tasmania III fiasco, which was already subsidised by the Australian government through the Tasmanian Freight Equalisation Scheme and the Bass Strait Passenger Equalisation Scheme. I note an announcement about that today by the honourable senator Richard Colbeck confirming its continuation and its important contribution to the Tasmanian economy.

It is no wonder that the federal Treasurer, Peter Costello, in a speech on June 1 this year questioned why the states were running deficits while the Australian government was running a cash surplus of $13.6 billion. He said:

... the States are not funding investment from their revenues. The States are borrowing—drawing down on savings rather than adding to them—and in this respect adding to pressure on monetary policy.

My biggest fear is that the fiscal incompetence of the Tasmanian government, being exercised in the context of boom economic times and generous federal funding, provides more than a glimpse of how a Rudd Labor federal government would perform if elected later this year. What if we had wall-to-wall Labor in every state and territory and federally? The comparison is genuine and relevant. I do not doubt that there are some talented people in the ranks of the Labor Party both here and in the states. To suggest otherwise would be disingenuous. However, they are the cream on top and if you skim them off then you find underneath a watery grey. They are vastly outnumbered, and in many cases sidelined, by ex-unionist bosses.

(Time expired)

National Capital Authority: Draft Amendment 53

Senator LUNDY (Australian Capital Territory) (9.46 pm)—As I began to say earlier, in the short time that draft amendment 53 to the National Capital Plan relating to the Albert Hall and surrounding areas has been around there has been: an initial fiery public meeting where the National Capital Authority sent representatives who were not fully briefed or provided with the necessary information, resulting in a debacle; a petition against DA53 with 3,352 signatures gathered
in just a few weeks; the formation of the Friends of the Albert Hall Association; a massive public meeting in the hall; extensive media reporting of the Albert Hall saga; two unprecedented interventions by the NCA board in an effort to quell mounting disquiet that dictated changes to the draft amendment on the spot; a commitment to an unprecedented comprehensive consultation strategy to consider all aspects of the amendment, including traffic, heritage and urban design; an ACT government bid to secure the listing of Albert Hall on the National Heritage List under the Environment Protection and Biodiversity Conservation Act; and outrage over the prospect of traffic lights on Commonwealth Avenue adjacent to Albert Hall. All of this demonstrates that DA53 is yet another example of the poor management and application of the National Capital Plan by the National Capital Authority.

This latest debacle allows me to make the following general observations. I would like to make two general points. Firstly, the overarching National Capital Plan is losing practical relevance to the local community because its consultation provisions are applied by the NCA in a way that continually alienates stakeholders and ignores their concerns about planning decisions. Secondly, the federal minister has failed to act to improve the performance of the NCA, particularly in the area of responding to stakeholder concerns through consultation processes. Specifically in relation to draft amendment 53, I would like to make the following observations. The board appears to have lost confidence in the NCA’s handling of DA53. This is illustrated by the board’s intervention on two separate occasions. It is extraordinary that the board responds to public comment but the NCA itself seems incapable of doing so. The NCA’s poor handling of DA53 consultation processes includes their specific misrepresentation of their interaction with members of the community as described at Senate estimates. The NCA’s spurious attack on the ACT government’s preparation of the draft conservation management plan, or CMP, in an effort to deflect criticism of their own poor handling of DA53 implies party political bias. In fact it seems that the NCA are incapable of engaging in any consultation processes that retain integrity and hold the confidence of all stakeholders.

I would like to take this opportunity to describe the changes that have taken place to DA53 as a result of the board’s specific interventions. On 2 April the board intervened and decided:
(a) not to proceed with a 25 metre landmark building north of Albert Hall, adjacent to Lake Burley Griffin and to ensure primary uses will not be commercial. To consider as an alternative the benefits or otherwise of providing for a future low scale public building, such as a performing arts centre or concert hall with ancillary uses;
(b) the balance of the land north of Albert Hall be reconsidered as a public lakeside park (open space) subject to the agreement of the ACT Government; and
(c) to conduct a series of special community and professional workshops on heritage, traffic, and urban design, and on any other significant matters identified in submissions on Albert Hall received by the close of public consultation ...

On 22 May it was revealed in a Senate estimates hearing that the NCA board had once again intervened and determined that Albert Hall could continue to be used as a cultural facility and for ancillary short-term commercial retail activities—that is, to permit the current use with the addition of social community facility land uses. It was also agreed that, because of the significant changes that had been made both on 2 April and on 22 May, the draft amendment—with any further revisions as a result of the workshops and discussions with the ACT government—
would be re-released for a further period of public consultation.

In making observations about these unprecedented interventions I want to make the point that I am pleased that the board intervened in the case of DA53 in these circumstances. But the very fact that they had to does not augur well for the future. It reflects poorly on the NCA of course, but the huge precedent it sets for the future is extremely worrying. It is essentially a political level intervention borne out of a lack of confidence in the NCA. While the position taken by the NCA board has been almost universally recognised as at least a step in the right direction, I wonder what would have happened if they had taken a different view—one that the community found abhorrent. This would truly have undermined any skerrick of credibility that the NCA had left. One would presume that there would exist no motivation for unpopular intervention, as opposed to popular intervention, but the precedent is now there nonetheless.

Another clue that indicates that the board is not all goodness and light in its motivation can be found in the comment published by the chairman, Mr Michael Ball, in the Canberra Times on 5 April. Mr Ball chose to be politically mischievous in his attempt to lay blame for the vehement negative speculation about the heritage status of Albert Hall on the ACT government’s entirely appropriate withholding at that stage of the draft conservation plan. This is a tactic that was later echoed by the NCA’s CEO, Ms Pegrum, at the public meeting held at the hall late in May. She spoke way past her fairly allotted time to make this point again and again. It impressed no-one and lowered the credibility of the NCA even further in the eyes of many of those present. I found it sadly predictable that the National Capital Authority was so unprofessional as to indulge in this attempt at party political point-scoring in an effort to deflect criticism of its own conduct. As many in this place would know, I am not averse to scoring the odd political point if I am able to, given that part of my role is to hold the Howard government to account. But if the Liberal Party had a political point to make they should have briefed Senator Humphries, who was at that public meeting and took his allotted opportunity to speak.

Finally on this issue of DA53, I urge that all information about the future of Albert Hall that can be tipped into the public domain be made available to inform the extensive consultation process. I am aware that the ACT government’s tender consideration for the management of the hall is proceeding. But, given that the timing of this consideration overlaps with the now greatly expanded consultation effort of the NCA, it would be useful for the tenderers themselves to declare their intentions. I understand, through hearsay only, that there are two tenderers: the Hyatt and the current contractor.

This unfortunate episode relating to DA53 is another example of how the National Capital Authority have tried to undermine the ACT government’s planning processes. In this case they have not directed their criticisms of the ACT government at the government’s initiation of any planning ideas but, instead, they seem to have taken every opportunity that exists to criticise the ACT government with their involvement in DA53. It reminds me of the NCA’s intervention in planning issues for which the ACT government did have direct responsibility, such as the Gungahlin Drive extension, the Pierces Creek resettlement and the EpiCentre issue. It carries with it the suspicion of partisan political conduct by the NCA that is aimed against the ACT Labor government. I hope I am wrong. I know the NCA will contest this issue as they do all the time. They deny any such political involvement, but again and
again we see conduct by them that leaves us with few other conclusions to draw. Nonetheless, I choose to believe that there are enough people from both major parties in senior positions in both the local and federal spheres of government in the ACT who can see the damage that has been done to the reputation of the NCA as a result of these shenanigans and the generally poor performance.

I can see a better future. If there were some astute amendments to the National Capital Plan and some accompanying changes to the role of the NCA, I believe it would be possible to achieve a mature partnership between ACT and federal planning authorities. I see no reason why this cannot be put in place. Only then will we have an opportunity to build on and improve the planning and economic confidence in the ACT via both planning authorities. It would ensure that the democratic rights of parties with an interest in planning matters are fully respected.

Overseas Aid: Maternal Health

Senator FIELDING (Victoria—Leader of the Family First Party) (9.56 pm)—Family First opposes the diverting of scarce foreign aid funds to abortions because the demands on Australia’s foreign aid money are already so great. It is also important that, as a nation, we question our priorities. Surely we should be doing everything possible to ensure that pregnancy is made safer for women in the Third World. That should be our priority. We should not be focusing on how we can pay for more abortions. More than half a million women in the Third World die every single year because of complications in pregnancy and childbirth. That is one death every minute. For every woman who dies, a further 20 are seriously injured or disabled due to complications. It is extremely difficult for us in Australia to comprehend the enormity of these statistics. For example, the risk of death during pregnancy or childbirth in parts of Africa is one in 16 compared to one in 2,800 women in the Western world. Up to four in every 10 such deaths in Africa are due to severe bleeding. Many could be prevented by providing safe blood.

Family First fully supports Millennium Development Goal No. 5 on maternal health: to reduce by three-quarters the rate of death during pregnancy or during childbirth in the Third World. Why should we divert scarce dollars in Australia’s foreign aid money to abortions when we cannot even offer women in developing countries the opportunity to safely give birth? Family First wants there to be an increase in Australian foreign aid. We want more aid to be focused on tackling these practical issues as it would make an enormous difference to thousands of women and their families. It is important to examine the consequences of diverting scarce Australian foreign aid dollars to providing abortions. That money has to be diverted from somewhere. Do we really want to cut aid funding to programs that focus on poverty alleviation and development? Do we want to reduce funding to vital literacy, nutrition and health programs, or to providing clean water to Third World communities? Of course we do not.

To take one example, let’s look at the health issue. The World Health Organisation reported that tuberculosis and malaria account for about three million deaths a year, but both diseases are preventable and treatable. The case for more funding is obvious. No-one wants to slash funding from any of these areas—from poverty alleviation or from development, literacy, nutrition and health programs—because they are all so important and necessary.

Family First also believes it is important to remember what happened to Australian
aid money before these sensible restrictions were imposed on how the money could be spent. Australian aid dollars went to the United Nations Population Fund, which was involved with China’s brutal and abhorrent one-child policy, under which there were forced abortions and forced sterilisations. Australian aid money also went to population control programs in Indonesia, Papua New Guinea and the Pacific islands. In Indonesia, the long-acting hormonal contraceptive implant Norplant was promoted as a beauty aid. Senators might be aware that population controllers promote implants because, once they are inserted under the skin, poor women cannot easily get them out. These are some of the reasons Australia has quite rightly steered away from funding abortion and contraception services.

Family First is concerned that the world’s biggest abortion provider, Marie Stopes International, enjoys full accreditation status with AusAID as a non-government organisation to receive foreign aid funds. It is extremely disturbing that already Australian aid money is going to such organisations, and some campaigners are lobbying for more. Family First is concerned that, by funding an abortion provider, even though the money is not for abortion, the Australian government is giving the organisation special status and credibility. In the eyes of many people, the government is endorsing this organisation. The Australian government should not provide money to such organisations and should not change its policy on provision of aid funds for abortion related activities.

**Parliamentary Group on Population and Development**

**Senator MOORE** (Queensland) (10.01 pm)—I was not going to speak on the adjournment debate this evening, but, as there is time available, I wish to make a few comments, particularly as this week we have benefited by having a range of young people come into this building to celebrate the Millennium Development Goals and talk with all of us about the importance of the world working together to address the massive problems of poverty and to ensure that we will have a more effective world into the future.

I will be taking up this issue again in the next sittings, but I wish to put a few comments on record this evening about the Parliamentary Group on Population and Development, which has been working for many years in this place, as you know, Mr President. That group has been looking at the issues of childbirth and fertility to ensure that women throughout the world can bring their children into a world that is safe and in which they have adequate futures and to ensure that the issues of poverty are addressed.

Recently the population group looked at the issues of sexual health and sexual health education for women across the whole of this planet. We acknowledge the wonderful productions that the United Nations put forward which look at the state of the nation and we share Senator Fielding’s major concerns about the horror experienced by women across this planet who are not able to have safe childbirth. No-one can look at the statistics without feeling sickened that the privileges we have in this country—strong health, being able to live in a clean environment and being able to make effective choices about women’s fertility—are not available to women throughout the world. Those choices should be available to women across the planet, not only in those places that have the privilege of wealth.

The Parliamentary Group on Population and Development has put forward recommendations which go to ensuring that there is effective sexual education for women and men across this planet so that women have
effective choice in planning their fertility. This is not a claim that there must be open abortion across the world—and I again reject the attempt to manipulate the words and the argument. The parliamentary population group called for a review of the way that we in this country look at aid so that no funding restrictions are placed on health programs dealing with effective sexual education. The group believes that health programs in countries where termination is legal should have an equal chance to receive funding from our government aid programs. It is not an attempt to tell people what they can and cannot do, it is not an attempt to direct our aid money and it is not an attempt to impose abortion on any woman. Rather, it is an acknowledgement that health choices should be available and should be safe.

So, again, it saddens me that these words are not effectively understood. When we make arguments in this place to ensure that there is an open discussion on our aid funding, they are overwhelmed by people who bring their own values into the debate. Whilst it is perfectly reasonable for people to have their own opinion, I do not think it is appropriate that what we are doing as a population group is misrepresented to anyone in this place or in the wider community. As a community we can agree that it is appropriate that we have sexual education. That is what we want. We want to ensure that people have full knowledge so that they can make health choices. We want to take up the kinds of points that Senator Fielding has just made about ensuring that there are effective birthing procedures around the globe.

Senator Stott Despoja has talked quite strongly in this place about the way that individual communities can work at a very practical level to ensure, for example, that women receive birth kits. That is something that UNIFEM has been doing across the globe—ensuring that women are able to birth their children effectively and safely. That is something on which I do not think anyone can argue.

In the discussions that I think must be had about our aid program—not now, not immediately, but certainly in the future—limitations on aid in the health area must be questioned. Where we have appropriate discussions between our country and countries that have sought our help, there should not be artificial limitations on how that aid can be spent. That does not seem to be too challenging a debate, but somehow people seem to be afraid of having that debate either here or in the wider arena.

I think that we as a Senate and we as a parliament can look at the young people who came to talk to so many of us during this week and say that we can respond to their demands and acknowledge our role in moving forward with the Millennium Development Goals. We take it up to all governments that now we are at the halfway mark to reaching a solution to world poverty. We have the indications; we have clear statistics about what we are aiming to do. One of the things being talked about in the lobbying here during the last week was focusing some of the attention on specific steps forward, rather than trying to cope with the whole issue all at once, which is incredibly overwhelming.

When you hear the kinds of statistics Senator Fielding has just given us about the way people in our world die from quite ridiculously stupid things such as a lack of access to clean water and effective shelter in their communities, and when you sit down with a group of young people who ask us directly why we aren’t doing more, you think that that is something we as a parliament can address directly. We can look at what we are doing and acknowledge that the government has increased the aid budget over the last
four to five years but acknowledge openly that there is a long way to go.

We have a goal that was accepted by the leaders of the world at the UN twice in the early 2000s and only as recently as 2005. Prime Minister Howard stood up with the leaders of over 150 nations and recommitted to the Millennium Development Goals. He said that we can take our share of the international burden and that we are able to move forward on those goals, address what we as a community must do and ensure that no-one shirks their own role. Then we can look at the young people from Make Poverty History, we can look at the young people who came to us this week, and say, ‘Yes, we are doing our bit.’ If we cannot do that, we are not fulfilling what I think all Australians expect us to do. It is not too difficult.

In fact, one of the messages that came out of this week is that it can happen. Don’t run away from it; don’t shirk the responsibilities. Accept that there is hope in this debate. As the wonderful archbishop from Rwanda who came to share his time with us this week said, there is only one person who can take that step forward, and that is you. This is someone who has lived the horrors of Rwanda—and every time I hear that name I become overwhelmed with anger and frustration, because the history of Rwanda shows that people can reach depths that I do not think many of us can really understand—a man who has given his life to rebuilding Rwanda and making sure that the young people there have a future. He came to our country and told us that it is not too hard. So, whilst we are halfway to reaching the Millennium Development Goals, it is time to stop and review what has been achieved. There have been some wonderful successes, but we can move forward. It is best that we do that in a united way, so the debate must continue and not be diverted for personal reasons.

Senate adjourned at 10.10 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:


Banking Act—Banking (Foreign Exchange) Regulations 1959—Direction relating to foreign currency transactions and to Zimbabwe; and variation of exemptions—Amendment to annexes, dated 15 June 2007 [F2007L01784]*.
Corporations Act—ASIC Class Order [CO 07/410] [F2007L01759]*.
Corporations Regulations—Guidelines for the use of the word ‘university’ in company names, dated 24 May 2007 [F2007L01747]*.
0703929 [F2007L01664]*.
0704150 [F2007L01738]*.
0704152 [F2007L01739]*.

Tariff Concession Revocation Instruments—
90/2007 [F2007L01630]*.
91/2007 [F2007L01631]*.
92/2007 [F2007L01632]*.
93/2007 [F2007L01633]*.
95/2007 [F2007L01710]*.
96/2007 [F2007L01711]*.
97/2007 [F2007L01712]*.
98/2007 [F2007L01713]*.
100/2007 [F2007L01715]*.

Financial Management and Accountability Act—
Financial Management and Accountability Determination 2007/08 – Services for Other Entities and Trust Monies – Australian Pesticides and Veterinary Medicines Authority Special Account Establishment 2007 [F2007L01848]*.
Financial Management and Accountability Determination 2007/09 – Services for Other Entities and Trust Monies – Australian Prudential Regulation Authority Special Account Establishment 2007 [F2007L01834]*.

Fisheries Management Act—
Determinations Nos—
EFT01B—Commonwealth Eastern Finfish Trawl Daily Fishing Log [F2007L01731]*.
LN01A—Commonwealth Line Daily Fishing Log [F2007L01733]*.
NT01A—Commonwealth Gillnet Fishing Daily Fishing Log [F2007L01732]*.

Higher Education Support Act—
Higher Education Provider Approval (No. 9 of 2007)—Australian Academy of Design Incorporated [F2007L01800]*.
List of Grants under Division 41, dated 13 June 2007 [F2007L01801]*.


Military Superannuation and Benefits Act—Military Superannuation and Benefits Amendment Trust Deed 2007 (No. 2) [F2007L01762]*.
Product Rulings—
Addenda—
PR 2006/101.
Remuneration Tribunal Act—
Determinations—

2007/08: Principal Executive Office (PEO) Classification Structure and Terms and Conditions [F2007L01754]*.

Sales Tax Bulletins—Notices of Withdrawal—STB 4-STB 6.


Superannuation Act 1990—


* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Clinical Trials
(Question No. 2941)

Senator Allison asked the Minister representing the Minister for Health and Ageing, upon notice, on 8 December 2006:

With reference the International Clinical Trials Registry Platform of the World Health Organisation (WHO):

(1) When will the Government act on the recommendation made by the WHO in May 2006 that all medical studies that test treatments on humans, including the earliest studies, whether they involve patients or healthy volunteers, are registered at the beginning of the study with full disclosure of 20 key standardised points.

(2) If the Government does not intend to mandate registration, how does it intend to: (a) ensure transparency in medical research; and (b) fulfil ethical responsibilities to patients and study participants.

(3) Is the Government aware that the International Committee of Medical Journal Editors, representing 11 prestigious medical journals, has instituted a policy whereby a scientific paper on clinical trial results cannot be published unless the trial has been recorded in a publicly-accessible registry at the trial’s outset.

Senator Ellison—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) In May 2005 the Government announced funding of $1.5 million to establish an Australian Clinical Trials Registry. New Zealand has subsequently asked to join this successful initiative. The National Health and Medical Research Council (NHMRC) and the Australian New Zealand Clinical Trials Registry (ANZCTR) have participated in the WHO’s International Clinical Trial Registry Platform’s International Advisory Board, Scientific Advisory Committee and the Technical Implementation Group.

(2) (a) and (b) As part of the development of the ANZCTR, the NHMRC has established the Australian and New Zealand Clinical Trials Registration Policy Advisory Committee which will advise on issues including mandatory registration for clinical trials.

(3) Yes. It was a condition of the ANZCTR funding that it meet the International Committee of Medical Journal Editors (ICMJE) requirements. The ICMJE has reviewed the ANZCTR and confirmed that it is one of only five registries internationally that meets its requirements. Further information can be found on the ICMJE site at: http://www.icmje.org/faq.pdf

Fisheries: Orange Roughy
(Question No. 3072)

Senator Siewert asked the Minister for Fisheries, Forestry and Conservation, upon notice, on 26 March 2007:

(1) (a) Can the Minister provide, for each of the 11 zones across the four sectors of the Southern and Eastern Scalefish and Shark Fishery (SESSF), the following figures for the orange roughy: (i) target quota, (ii) bycatch quota, and (iii) trigger limit; and (b) for each of the above categories, will the Minister identify: (i) where each of the quotas and/or trigger limits are published, and (ii) how the quantities were determined.
(2) Is it the case that the East Coast Deepwater trawl sector has been identified as having an orange roughy trigger limit in the Orange Roughy Conservation Programme, published by the Australian Fisheries Management Association (AFMA) on 7 December 2006; if so, why does 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, allocate a 50 tonne bycatch quota.

(3) Can the Minister explain whether the Orange Roughy Conservation Plan Workshop to be hosted by the AFMA in Melbourne on 12 April 2007 is open to participants other than orange roughy quota holders; if not, why not.

Senator Abetz—The answer to the honourable senator’s question is as follows:

(1) (a) Bycatch Total Allowable Catches (TACs) and Trigger Limits in the Southern and Eastern Scalefish and Shark Fishery (SESSF) Orange Roughy Zones

<table>
<thead>
<tr>
<th>Zone</th>
<th>Orange Roughy Zone</th>
<th>2007 TAC (tonnes) *1</th>
<th>2007 Trigger Limit *3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>North-Eastern Remote Zone</td>
<td>No quota SFRs granted for this zone *2</td>
<td>No trigger limit *2</td>
</tr>
<tr>
<td>2</td>
<td>Eastern Zone</td>
<td>27</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>Cascade Plateau Zone</td>
<td>483</td>
<td>N/A</td>
</tr>
<tr>
<td>4,5,6</td>
<td>Southern Zone (incorporates all catches taken in Southern Remote Zone, part of the South Tasman Rise Zone within the Australian EEZ and the Southern Remote Zone) (3 Zones)</td>
<td>40</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Western Zone</td>
<td>61</td>
<td>N/A</td>
</tr>
<tr>
<td>8,9</td>
<td>Great Australian Bight Albany and Esperance Zone (2 Zones)</td>
<td>50</td>
<td>N/A</td>
</tr>
<tr>
<td>10</td>
<td>Great Australian Bight Eastern Zone</td>
<td>No quota SFRs granted for this zone *2</td>
<td>10t</td>
</tr>
<tr>
<td>11</td>
<td>Great Australian Bight Other Zones</td>
<td>No quota SFRs granted for this zone *2</td>
<td>10t</td>
</tr>
</tbody>
</table>

*1 With the exception of the Cascade plateau zone, the TACs above are not target quotas but bycatch quotas, to allow for the landing of any incidental or inadvertent catches taken when fishing for other fish species. Australian Fisheries Management Authority (AFMA), for administrative purposes, are changing from a 1 January to a 1 May quota year. As a consequence all the TACs in the table above have been adjusted for a 16 month fishing season. This results in the Cascade Roughy TAC allocated to SFR-holders being 483 tonnes instead of 400 tonnes.

*2 AFMA has implemented a general prohibition to the method of trawling in waters below 700m (750m in the Great Australian Bight) in order to prevent future targeting and limit the incidental catches of orange roughy in these zones (and elsewhere in the SESSF)
*3 In some fisheries there are trigger limits, but in the case of some species in the SESSF, there are no trigger limits because a competitive TAC has been set. Once the TAC is reached, all fishers in the fishery must cease landing that particular species.

(1) (b) (i) The quotas and trigger limits are published in the Southern and Eastern Scalefish and Shark Fishery: A guide to the 2007 Management Arrangements on the AFMA website. As the determinations of quotas are legislative instruments for the purposes of the Legislative Instruments Act 2003 they must be registered on the Federal Register of Legislative Instruments (FRLI) before they can come into effect.

The quotas for all SESSF quota species are determined by the AFMA, under the SESSF Management Plan by 5 December each year. Such determinations are made under subsection 11 of the Southern and Eastern Scalefish and Shark Fishery Management Plan 2003 and subsection 17(6)(aa) of the Fisheries Management Act 1991.

Trigger limits for the SESSF will be recommended to the Management Advisory Committee for the SESSF by the Resource Advisory Group (RAG) at their next meeting. The RAG consists of scientists and economists from AFMA, the Bureau of Rural Sciences, the Department of Environment and Water Resources, and industry representatives. The RAG makes recommendations based on what they consider would be suitable biological catch rates for the species, knowledge of biology of the species and current stock status.

(2) Yes, the East Coast Deepwater trawl sector has been identified as having an orange roughy trigger limit in the Orange Roughy Conservation Programme. The 50 tonne limit is not a target limit but a bycatch limit, to allow for the landing of any incidental or inadvertent catches of that species by fishers fishing for other species.

(3) The Orange Roughy Conservation Plan Workshop was open to any interested parties who registered to attend. The workshop was technical in nature and was attended by industry members, and representatives from the World Wide Fund for Nature, the Australian Government Bureau of Rural Sciences, Commonwealth Fisheries Association, Commonwealth Scientific and Industrial Research Organisation, Great Australian Bight Fishery Industry Association, South East Trawl Fishery Industry Association, AFMA and members of fisheries Management Advisory Committees and Resource Assessment Groups.

Higher Education Contribution Scheme

(Question Nos 3114 and 3115)

Senator Allison asked the Minister representing the Treasurer, upon notice, on 17 April 2007:

With reference to Higher Contribution Scheme (HECS) debts:

(1) What would be the annual costs of freezing the Consumer Price Index on the HECS debts of people that are: (a) not in the workforce; and (b) in part time employment.

(2) Is a HECS debt cancelled once a person: (a) reaches the age of 65 years; or (b) dies.

(3) In what circumstances, if any, has, or will, the Government recover a HECS debt from a deceased estate.

Senator Coonan—As these questions deal with matters that are the responsibility of the Australian Taxation Office (ATO), I have asked the Commissioner of Taxation for advice. The advice in relation to the honourable senator’s question is as follows:

(1) (a), (b) The Commissioner is unable to provide an answer to the question as ATO does not electronically store this information.
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(2) (a) HECS debts became accumulated Higher Education Loan Programme (HELP) debts on 1 June 2006. Accumulated HELP debts are not cancelled when a person reaches the age of 65 years. If a person’s HELP repayment income is above the minimum repayment threshold in any given year, they will have a compulsory HELP repayment raised on their income tax notice of assessment for that year, regardless of the source of that income. The debt will continue to be collected through the tax system.

(b) When a person with an accumulated HELP debt dies, their trustee or executor must lodge all outstanding tax returns up to the date of the person’s death. Any compulsory HELP repayment included on the notice of assessment which relates to the period before the person’s death must be paid from the estate. The remainder of the HELP debt is cancelled. Neither the family nor the trustee is required to pay the rest of the accumulated HELP debt.

(3) The only circumstance where the ATO would recover a HELP debt from a deceased estate is through a compulsory HELP repayment raised on income tax notices of assessment which related to the periods before the person’s death.

By the operation of specific provisions of the Higher Education Support Act 2003, the compulsory HELP debt is an income tax debt for the purposes of collection and recovery.